



Rockford Public Schools

Quality Community – Quality Schools
Together Building a Tradition of Excellence

Rockford, Michigan

Annual Comprehensive Financial Report

Year Ended: June 30, 2022

**Annual Comprehensive
Financial Report**

of

**Rockford Public Schools
350 N. Main St.
Rockford, Michigan 49341**

For the Fiscal Year Ended
June 30, 2022

Prepared by
Michael A. Cuneo, Assistant Superintendent of Finance

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November 1, 2022

To the Citizens of Rockford Public Schools:

The Annual Comprehensive Financial Report (ACFR) of Rockford Public Schools for the fiscal year ended June 30, 2022 is presented for your review. Guided by the Board of Education's commitment to public accountability, detailed financial information relating to the fiscal operation of the District is presented in this report prepared by the District's Finance Department. The ACFR is prepared in conformity with accounting principles generally accepted in the United State of America (GAAP). Responsibility for the completeness, accuracy and fairness of the information presented rests with the administration and management of Rockford Public Schools.

The report has been prepared following generally accepted accounting principles. We believe the data presented is accurate in all material respects and clearly reflects the financial position and the results of operations of Rockford Public Schools. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Report Organization

The Annual Comprehensive Financial Report was prepared to meet the needs of a broad spectrum of financial statement readers. The report is divided into the following major sections:

Introductory Section—the reader is introduced to Rockford Public Schools. Included are facts about the District, a brief highlight of our curriculum offerings, points of pride, major initiatives undertaken and other information. The introductory section includes this transmittal letter, the District's organizational chart, a list of District officials and administrative staff and the ASBO Certificate of Excellence Award.

Financial Section—the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), Basic Financial Statements and Notes to Basic Financial Statements are included. These provide an overview for readers who require less detailed information than is contained in the balance of this report. In addition to the basic financial statements, this section includes combining and individual fund supplemental statements and schedules.

Statistical Section—the reader is provided with a 10-year history of financial and demographic data intended to reflect economic conditions, financial trends and the fiscal capabilities of our District.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

We, the administration, would like to stress to you, the reader, that we are responsible for both the financial information and representations contained in the financial statements and other sections of this annual report. In preparing the financial statements, it is necessary to make informed estimates and judgments based on currently available information.

Reporting Entity

The reporting entity consists of the legal entity, Rockford Public Schools. The District serves the entire City of Rockford, plus sections of six (6) townships.

The Board of Education for Rockford Public Schools is the basic level of government that has oversight responsibility and control over all activities related to public school education in the Rockford area. The District receives money from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities.

The Board of Education is comprised of seven (7) members who are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include the funds of those organizational entities for which its elected governing board is financially accountable. Public academies in the State of Michigan are funded on a per-pupil foundation allowance, the same as K-12 school districts, but without the benefit of property tax revenues, and operate under the charters of universities or school districts in the State.

The School Program

Rockford Public Schools has always been a leader in instructional excellence and continues to attract new families to the community. The RPS curriculum is based upon standards that promote "rigor" and "relevance". These standards set high expectations and are based upon the belief that all students will succeed. Some students will need additional time and support, but all students will learn and experience success. Students will learn content that will be relevant to their future plans, whether it be post-secondary education or the work force.

In addition to a rigorous and relevant curriculum, we recognize the importance of the third "R" – relationships. Relationships are critical to students feeling connected to school. We have the most caring teachers that are committed to being advocates for every student. Programs offered include: PBIS, Capturing Kids' Hearts, Renaissance and Developing Healthy Kids. Additionally, all of our teachers have been participating in cultural awareness training.

The District has an early childhood center, which offers a variety of programs including before & after care, during school programs and a preschool program. These programs in total service approximately 900 students. District buildings consist of eight (8) kindergarten through grade 5 elementary schools, two (2) grades 6 through 8 middle schools, one (1) grade 9 freshman center, and one (1) grade 10 through 12 high school, a community education center, an alternative high school and several support facilities. The official enrollment for 2021-22 was 7766 students, with a projected enrollment of 8004 students by the fiscal year ending June 30, 2025.

Rockford Public Schools offers a comprehensive curriculum in the areas of language arts, mathematics, social studies, science, art, music, physical education and health. In grades kindergarten through fifth, we have a district-wide and comprehensive Response to Intervention (RtI) process which focuses on Early Literacy Intervention and identification. RtI is also used as our eligibility process for identifying and qualifying students with a specific learning disability in the areas of basic reading, reading fluency and reading comprehension.

The staff in every building (DK-12) has developed curriculum maps and common assessments for each grade level and each content area that are aligned with Michigan State Standards and Benchmarks and High School Content Expectations (HSCE) and we have transitioned to the Common Core Standards in Math and English Language Arts.

The District's educational programs are rich in choices and offerings that appeal to every student. There are opportunities for the Gifted and Talented students at all grade levels, including Dual Enrollment and Advanced Placement programs in every content area for high school students. Additionally, Rockford High School has an early college program, where the students earn college credit through Ferris State University(FSU)or Grand Valley State University (GVSU) by taking courses at Rockford High School taught by Rockford teachers that have been certified. Students identified for special education services have access to programs that meet all of their educational needs. Furthermore, in response to preparing our students for the changing world, we have a World Language Program that includes K-12 Spanish Immersion as well as four-year high school programs French, German and Spanish. The ability to speak a second language is important as the world continues to get smaller with advances in technology and transportation.

The Rockford Public School District provides an effective, well-rounded educational program for every student. We take tremendous pride in our students' achievement, the instruction provided by the teachers and the many educational programs offered to the students and community. We provide them with a challenging academic program that includes a rigorous core curriculum, relevant elective courses, co-curricular activities, character education that emphasizes responsible citizenship and many opportunities for community service. We believe that our exemplary school district is a result of the collaborative efforts of parents, students, teachers, support staff, building principals, administrators, community members and the Board of Education.

Technology is another area of great focus. The school district has remained up-to-date with the purchase of hardware, software and the necessary training needs. The most recent RPS bond proposal in 2019 was supported by the Rockford community and a minimum of \$15 million has been allocated to improve and contemporize a cutting edge technology plan. The District completed the first phase by replacing all devices of our elementary schools during the 2019-20 school year. The second phase, replacing the middle school level grades 6-8, took place in 2021. This technology plan provides all students in grades kindergarten through eighth grade with either a district owned laptop or iPad as their personal device to use for the school year. The third phase will include grades 9-12 at the high school, and will begin in 2022.

The development of new programs and learning opportunities is very important to our school district. However, having embedded systems in place for development, implementation and monitoring programs is the secret for lasting change to occur. The most significant components of the Rockford Public Schools improvement system are the Rockford Action Model for Success (RAMS) and the NCA AdvancEd process. The foundation for school improvement work is the RAMS Model. This strategic planning process gains input from all groups through the use of surveys and focus groups. The process results in a series of specific short-term, long-term and on-going goals designed to ensure continuous improvement of the Rockford Public Schools. The RAMS Model is updated every three years, with reports on goal progress twice per year.

The AdvancEd school improvement process has provided the framework for many areas of school improvement. Included in this process is the implementation of a Common Instruction Model through Gradual Release of Responsibility, implementation of a DK-12th grade technology plan, development of research based professional development plan, and the expansion of an early college program for students earning college credit. All of these initiatives are focused on teaching and learning, through research based best practices.

The purpose of all of our school improvement efforts is to improve the quality of life for our students. As we monitor our work, the most important indicator is student achievement. Another significant indicator is the honors that the school district has received. These include many areas of recognition for individual students, school buildings, and the school district such as National Merit Finalists, every building recognized as a Blue Ribbon School of Excellence.

Rockford Public Schools has a Tradition of Excellence. Working together with the parents, students, teachers, administrators and community, we will continue to build upon our tradition. RAM PRIDE!

Points of Pride

District Accreditation by AdvancED/North Central Accreditation—All of Rockford’s schools are North Central accredited, an accreditation standard that exceeds state standards. This model for school improvement calls for goal setting, assessment, parental involvement and monitoring by outside evaluators. During the 2014-15 school year, Rockford Public Schools earned the prestigious title of District Accreditation through AdvancED.

Blue Ribbon Schools—Every Rockford Public elementary or secondary school has been recognized by the Michigan Department of Education and the United States Department of Education as a blue ribbon/exemplary school. Rockford Public Schools is the only large school district in Michigan that has earned this recognition.

- 1993 Valley View Elementary School (State)
- 1994 North Rockford Middle School (State and National)
- 1995 Parkside Elementary School (State)
- 1996 Rockford High School (State and National)
- 1997 Roguewood Elementary School (State and National)
- 1998 Sheridan Trail Middle School (State)
- 1999 Belmont Elementary School (State and National)
- 2000 Cannonsburg Elementary School (State and National)
- 2002 Lakes Elementary School (State)
- 2005 Crestwood Elementary School (State)
- 2006 East Rockford Middle School (State)
- 2009 Meadow Ridge Elementary (State)

First-Class Facilities—As part of continuing to upgrade our facilities, renovations have taken place at all locations since 2010. In order to meet the challenges of the 21st century, a \$175 million bond issue was presented to the community and approved in May 2019. The bond issue focused on three main initiatives; district facility expansions, K-12 innovative learning environment and capital improvements. A large part of our expansion plan includes a new elementary, which will be built on the west side of the district. New classrooms will be added to various existing buildings to address increased enrollment. The K-12 innovative learning will encompass such items as collaborative learning spaces, technology upgrades, STEAM/STEM program support as well as media center upgrades. Capital improvements will address co-curricular facility improvements, transportation upgrades including bus fleet replacements. Further improvements will be made to upgrading elementary playgrounds, security system and parking lot enhancements, energy efficiency upgrades, interior upgrades and roof replacements. Technology will be upgraded to support 21st Century learning by providing technology tools to teachers, students and staff. Upgrades to the district’s infrastructure will include improving wireless capabilities in all buildings and an upgrade to the data management system for student assessment.

High Academic Achievement

- Rockford Public Schools is the only school district in Michigan with a mandatory competency test as a graduation requirement, which guarantees that our graduates possess the essential skills.
- Nearly 90% of our students received college credit by passing the AP test with a score of 3, 4 or 5

Fine Arts Program—Band, choir, strings and theater programs have received state and national recognition.

- Marching Band placed 1st at MCBA State Finals, 2017, 2018, 2019 and 2021
- All 4 High school bands received straight superior ratings at the MSBOA District Festival
- MSBOA Orchestra Festival performances received superior ratings at both the middle and high school levels.
- All choirs and large ensembles received first division ratings and qualified to participate in at the State level in the MSVMA Festivals.

Standardized Tests Results—District students continually score in the top quartile on all standardized tests (M-Step, PSAT, SAT, Workkeys, NWEA MAPS). Numerous students qualify as National Merit Finalists every year. Over 42 students in the Class of 2021 scored a 1400 or higher on the SAT.

First-Class Teachers

- 100% of our teachers hold Bachelor's Degrees, are certified and are "highly qualified".
- 100% of our teachers receive Professional Development training each year.
- Many Rockford teachers have been recognized for their outstanding performance. Local, state and national awards include: Ameritech Outstanding Educator, National Close Up Awards, Who's Who Among American Teachers and many other teacher-of-the-year awards.
- Rockford attracts the best teaching candidates. There are over 1,000 applications for teaching positions received annually.
- Every teacher participates in a rigorous interview process that includes multiple interviews with a committee of teachers, building principals and central office administrators.
- Once hired, every teacher receives an extensive induction/orientation process, including training in classroom management skills, learning styles, and technology and leadership effectiveness. Every new teacher is assigned a master, mentor teacher to provide support and to ensure professional growth.

Supportive Parents and Community

- The community has supported every bond issue since 1990.
- A high percentage of parents volunteer their time and energy through the PTA/PTO's, booster clubs, Inter-School Advisory Committee and community organizations.
- Nearly 100% of our parents attend parent-teacher conferences.
- The Rockford Education Foundation has awarded over \$2,000,000 in grant funding to support basic and innovative educational opportunities in the Rockford community. REF funds programs in 5 key focus areas: Literacy, STEAM, Fine Arts, College & Career Readiness and Social-Emotional Wellness. In addition to providing grants for classrooms, educators and students totaling between \$100,000-\$150,000 each year, REF has supported innovative educational programs such as the Rockford Book Bus and the Counseling Dogs Program.
- Each school distributes a monthly newsletter to parents electronically and every family receives a monthly District newsletter.
- Parents have been provided 24/7 access to their children's academic progress through the Family Access initiative and can communicate to their child's teacher via email.

Safe and Healthy Environment

- Rockford Public Schools employs trained health professionals in each school who are certified in First Aid and CPR. A district health nurse coordinates all activities for the District.
- The athletic trainers at Rockford High School are certified to assist with sports-related injuries and rehabilitation.
- The nutritious hot lunch program meets the highest state and federal guidelines.
- The transportation department has received state recognition for their student safety program.
- The District security director coordinates a staff of nine(9) members whose primary function is to provide a safe and orderly learning environment for students, staff, parents and visitors.
- The maintenance and custodial department provides a safe, clean, comfortable and well-maintained atmosphere in all buildings and grounds.

Extended Learning Opportunity for Students – Co-curricular activities

- Nearly 85% of our students are involved in co-curricular activities.
- There are 41 varsity athletic teams, with participation of over 50% of the student body.
- There are unlimited fine arts activities, including plays, vocal music, instrumental music and strings opportunities.
- Students participate in Odyssey of the Mind with great success as we have had multiple teams move onto OM World Competitions.
- Highly successful athletic program; we have earned 71 State Championships
- RHS students have earned the MI High School TV Station of the Year award (14) times since 2001.

Economic Conditions and Outlook

The Rockford School District is located 12 miles northeast of Grand Rapids, Michigan. Rockford is a suburban community in Kent County. The District encompasses 100 square miles with a population of approximately 45,252 persons.

The State of Michigan transformed its funding of public education in 1994 from the previous principle of property valuation determining the level of support for education in a given district to a state-wide diversified tax base and a leveling of funds for all districts. Discrepancies that existed prior to the finance reform have begun to narrow under the new system. As a result, the financial health of school districts is now reliant on the performance of the State's economy.

Under the current state aid funding system, the State collects a state-wide property tax of 6 mills on residential property and 24 mills on all industrial and commercial property. Communities may also grant tax abatements to attract commercial and industrial growth. The State also collects a 6% sales tax in support of education, along with a number of transfer and use taxes, which proceeds are dedicated to the school aid fund. The State in turn redistributes the funds to local school districts on a per student foundation grant basis. The current foundation amount is tied to the annual rate of inflation and factored upward or downward based on a district's relationship to the set median funding range for the State of Michigan. This method of funding has slowed the growth in educational expenditures to no greater than the rate of inflation in any given year.

Grand Rapids is one of the best places to live for quality of life in the U.S. according to the 2019 ranking from U.S. News & World Report. The city came in 13th place on the list. Plentiful jobs and rising wages have been the byproduct of a dynamic, growing economy in the Grand Rapids region, making it the strongest economy in Michigan and one of the faster growing metropolitan areas in the country, economic data analyzed by Bridge Magazine shows. Another ranking by BestPlaces.net, has Grand Rapids listed as the best place to raise a family. Grand Rapids ranks in the top 5% in the country for school system ratings, which can be attributed, in part, to the quality of life of its educators, as the city also ranks as one of the best places to be a teacher (BestPlaces.net, 2022).

Business in the local economy has equally improved; Wolverine World Wide is the largest employer/taxpayer in the District and has shown continued economic growth and expansion. As businesses expand and employment opportunities increase, the financial condition of the District will improve. Home property values are currently increasing as well as the demand for affordable housing. The property tax-base of the District should increase with the likelihood of increased student enrollment, which will both contribute to financial stability.

Strategic Planning

In October 1989, the Rockford Board of Education implemented the District's first long-range strategic plan for improvement entitled RAMS (Rockford Action Model for Success). The implementation of this plan followed input from the community and District employees through a detailed public questionnaire.

In 1993, the Board of Education adopted RAMS II, which built upon the original strategic plan, leading to improved educational opportunities for our students. On March 11, 1996, the Board adopted RAMS III, comprised of 106 goals assigned to 8 major categories with a completion date of December, 1999. These goals were completed during prior fiscal years. RAMS IV, was adopted by the Board of Education on November 22, 1999, implemented in January 2000 and continued to serve as the blueprint of improvement for Rockford Public Schools.

RAMS V, RAMS VI, RAMS VII, RAMS VIII, RAMS IX, RAMS X, and RAMS XI which were adopted by the Board of Education on December 9, 2002, December 12, 2005, December 8, 2008, December 12, 2011, December 8, 2014, December 11, 2017, and December 13, 2021 respectively, continued the tradition of involving the community and staff through input from a detailed questionnaire designed to assess the school/community's expectations of their public school system.

RAMS XI now serves as the three-year (2022-2024) blueprint for improving all aspects of our preschool through adult education programs. Rockford area residents and District staff receive periodic RAMS XI progress updates through school board presentations, local news coverage and end-of-the-year reports to the community.

With the January 2022 implementation of RAMS XI, the Board of Education established specific goals for our public school system, designed to improve educational opportunities for all of our students. RAMS XI maintains the District's commitment to an annual budget that maintains 8% fund equity, with the goal of 15% fund equity, to ensure financial stability, reduce the need for state aid borrowing and protect against potential state-funding shortfalls.

We believe that the quality partnership which exists between the Rockford area community and the Rockford Public Schools will continue to promote our ongoing tradition of excellence.

Major Initiatives

Fiscal year 2021-22 completed the twenty-eighth year under the State of Michigan's revised funding policy. The District, as funding changed from a heavy reliance on local property taxes as a major source of revenues to the new State foundation method, has experienced a constant and slowed growth in funding. The Board of Education continues to work to meet the goals outlined in its RAMS XI strategic plan. Student outcomes have become the District's focus and the strategies and recommendations designed to restructure the District to better prepare today's students for the 21st century were advanced during last year.

Rockford Public Schools remains committed to continued growth and change that leads to increased success for all students, while remaining rooted in solid traditional values. Rockford Public Schools are recognized as being exemplary by both the State and National Blue Ribbon Schools of Excellence program. Despite this prestigious recognition, we are committed to continuous improvement. The vehicle to school development is building level and district level AdvancED School Improvement. The goal of AdvancED is to develop and implement a systematic plan that assures success for all students; there will be no student left behind. Strategies that will be included in this process are implementation grade level and department collaborative time, Pyramid of Interventions implemented to assist low achieving students, and provide professional development opportunities that align with data driven needs. An early intervention program, RTI has been implemented K-5 literacy, K-3 math in all elementary schools. One professional development initiative in which all certified staff has been trained is the Capturing Kids' Hearts workshop. The premise of this training is that before you can capture a student's mind, you must first capture his/her heart. Teachers are provided the tools and skills to assist with relationship building with their students.

The mission of Rockford Public Schools is to provide the teaching and learning environments that will ensure, with the support of the students, parents and community, that all students, upon graduation, will have the academic and social skills and strategies to be successful life-long learners.

To this end, each Rockford Public Schools' student throughout his/her school career will demonstrate their knowledge, skills and abilities in each of the following areas:

1. Self-directed learning:
 - Demonstrate responsibility for own learning
 - Set priorities and achievable goals
 - Assess personal performance
2. Social interaction and cooperative learning:
 - Identify, analyze and evaluate behavior of self and others in a group, based on established criteria
 - Work cooperatively to establish a goal
 - Demonstrate concern and respect for others
3. Complex reasoning:
 - Make careful observations
 - Draw reasonable inferences from observations
 - Recognize relationships
 - Analyze parts as they relate to the whole
 - Apply research and problem-solving skills
 - Make critical distinctions
 - Arrive at a decision and/or product

4. Problem solving:
 - State a goal or desired outcome
 - Define the problem: What is really occurring?
 - Analyze the problem: How big? How many? Where is it?
 - Generate potential solutions: How many ways could it be corrected?
 - Choose the best solution
 - Develop and implement an action plan
 - Evaluate the results against the desired outcome
5. Citizenship (Personal, Local, State, National and Global):
 - Demonstrate self-governing behavior
 - Identify the need for community involvement
 - Practice effective citizenship
 - Contribute time, energies and talents to improve health and well-being for self and others
 - Cross Cultural Competencies
6. Communication:
 - Demonstrate effective reading, writing, speaking and listening skills using available technology
7. Aesthetic responsiveness/creativity and appreciation:
 - Approach needs, tasks or ideas from a new or varied perspective
 - Develop intellectual, artistic and practical ideas and/or products
 - Assess creative works by reflecting on originality, purpose and quality of the work
8. Technology

At the heart of the RAMS strategic plan are the student outcomes that are designed for our students to graduate and possess the following skills and characteristics: self-directed learners, complex thinkers, effective communicators, individual and group problem solvers, strong interpersonal relaters, collaborative workers, creative quality producers, Cross Cultural Competent citizens and community contributors.

Rockford Public Schools' students have continued to show improvements on all standardized tests including PSAT, SAT, M-Step, Workeys and NWEA MAPS. Because of educational leadership practices, the District has been able to continue its strong emphasis on basic skills while promoting programs that prepare the students for a rapidly changing society.

Financial Information

Accounting Systems and Policies

The District's fund-level financial statements and government-wide financial statements for our governmental and agency fund types have been prepared in conformance with generally accepted accounting principles and are in compliance with Government Accounting Standards Board (GASB) Statement No. 34. Governmental fund-level statements are prepared on the modified accrual basis of accounting. Revenue is recognized when measurable and available to finance current operations. Expenditures are recognized when the liability is incurred, generally when the goods or services are received, except for interest on long-term debt, which is recorded when paid. With respect to the district-wide financial statements, the full accrual accounting basis is applied as defined under GASB Statement No. 34. In developing and evaluating the District's financial information system, consideration is given to the adequacy of the internal accounting and administrative control structure and the costs thereof. Accounting and administrative controls comprise the plan of organization, policies, procedures, and records necessary for the safeguarding of assets, the reliability of financial records, and compliance with grant requirements.

The expressed purpose is to provide reasonable assurance that:

- Transactions are in accordance with management's and grantors' general or specific authorization
- Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and other criteria (such as finance-related legal and contractual compliance requirements) and to maintain accountability for assets
- Access to assets is permitted only in accordance with Board of Education appropriations, financial policies, and management's authorization
- The recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences

Internal Accounting Controls

Management of Rockford Public Schools is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments from management.

As a recipient of federal, state and interdistrict financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place that complies with applicable laws and regulations. This internal control structure is subject to periodic evaluation by management and the District's independent auditors as a part of their audit process.

Tests were performed to determine the adequacy of the internal control structure as a part of the District's single audit. The results of the District's single audit for the fiscal year ended June 30, 2022 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

Rockford Public Schools uses site-based management to effectively allocate resources and obtain the maximum benefit for each dollar spent. This process requires that each building and department develop its budget to justify each expenditure. All expenditures must focus on the educational goals of the District and be consistent with the school improvement plans from each building that underscore the RAMS XI. The individual buildings are allowed to make site-based decisions in planning the use of their resources in meeting their individual building goals. This process has enabled the District to successfully manage changes in funding while making the most of each dollar available. This approach to financial management, coupled with strong community support, has enabled the Board of Education to continue to offer educational opportunities that are considered among the best in the State.

The District's budgetary controls and system of internal accounting was designed to adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions. The District adopted budgets at the function level for its General Fund and Special Revenue Funds. We believe that these objectives have been achieved. The system has been audited by Hungerford Nichols, independent auditors whose opinion is included as part of this financial report. Annual financial reporting to the State of Michigan follows accounting requirements as described in the State Accounting Manual. These requirements are consistent with generally accepted accounting principles.

Fund Balances

The District is in compliance with the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. Under this standard, the former fund balance classifications of reserved, designated, and unreserved/undesignated are replaced with five new classifications – non-spendable, restricted, committed, assigned, and unassigned. The District's fund balances are categorized under these classifications based on the extent to which the District is bound to observe constraints imposed on the use of the resources in the governmental funds.

Debt Administration

Long-term obligations outstanding for the District as of June 30, 2022 consisted of \$124,870,000 in general obligation bonded debt, \$17,790,549 in premium on debt issued and \$1,214,474 of early retirement incentive and accumulated sick leave. The funding source for the general obligation bonds is the District Debt Service Funds (supported by voter approved property tax millage), with the remaining debt the obligation of the District General Fund.

Retirement Plan

All employees of the District are covered by a mandatory, cost-sharing, multiple-employer plan – the Michigan Public School Employees' Retirement System (MPERS). The MPERS consists of several different benefit plan types depending upon the first date the employee was eligible to become a MPERS member and the personal elections of the member. Employees participate in the Basic Plan, the Member Investment Plan, the Pension Plus Plan, or the Defined Contribution Plan. Members also have the option of choosing between the defined benefit health plan and a personal healthcare fund. These plans and employer and employee contribution rates are discussed further in the footnotes to the financial statements.

The plans provide its members various benefits, including regular retirement, early retirement, deferred retirement, non-duty disability pension, duty disability pension, and survivor pension.

Benefit and contribution provisions are fixed by state statute and may be amended only by action of the State Legislature.

The District implemented GASB No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in fiscal years 2014-15 and 2017-18, respectively. The District's share of the MPERS (Michigan Public Schools Employee Retirement System) net pension liability and net OPEB liabilities are now included in the Statement of Net Position. Additional information can be obtained in Notes H and I of the Notes to Basic Financial Statements.

Independent Audit

The District's financial statements were audited by Hungerford Nichols CPAs + Advisors, as of June 30, 2022. Their audit was made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements present fairly the financial position of Rockford Public Schools at June 30, 2022.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report.

Awards

The Board of Education and the administration of Rockford Public Schools are committed to providing its citizens and other financial statement readers with comprehensive financial reporting. For school districts meeting the requirements of a Comprehensive Annual Financial Report, the Association of School Business Officials International awards a Certificate of Excellence in Financial Reporting. The standards are high and must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Excellence is valid for a period of one year only. The District has received this award for each of the fiscal years ended June 30, 2000 through June 30, 2021. The District believes our current report conforms to program standards, and we are again submitting our report to the Association of School Business Officials International to determine its eligibility for this certificate.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the effort and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all administrative employees who assisted in the timely closing of the District's financial records and the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Steve Matthews".

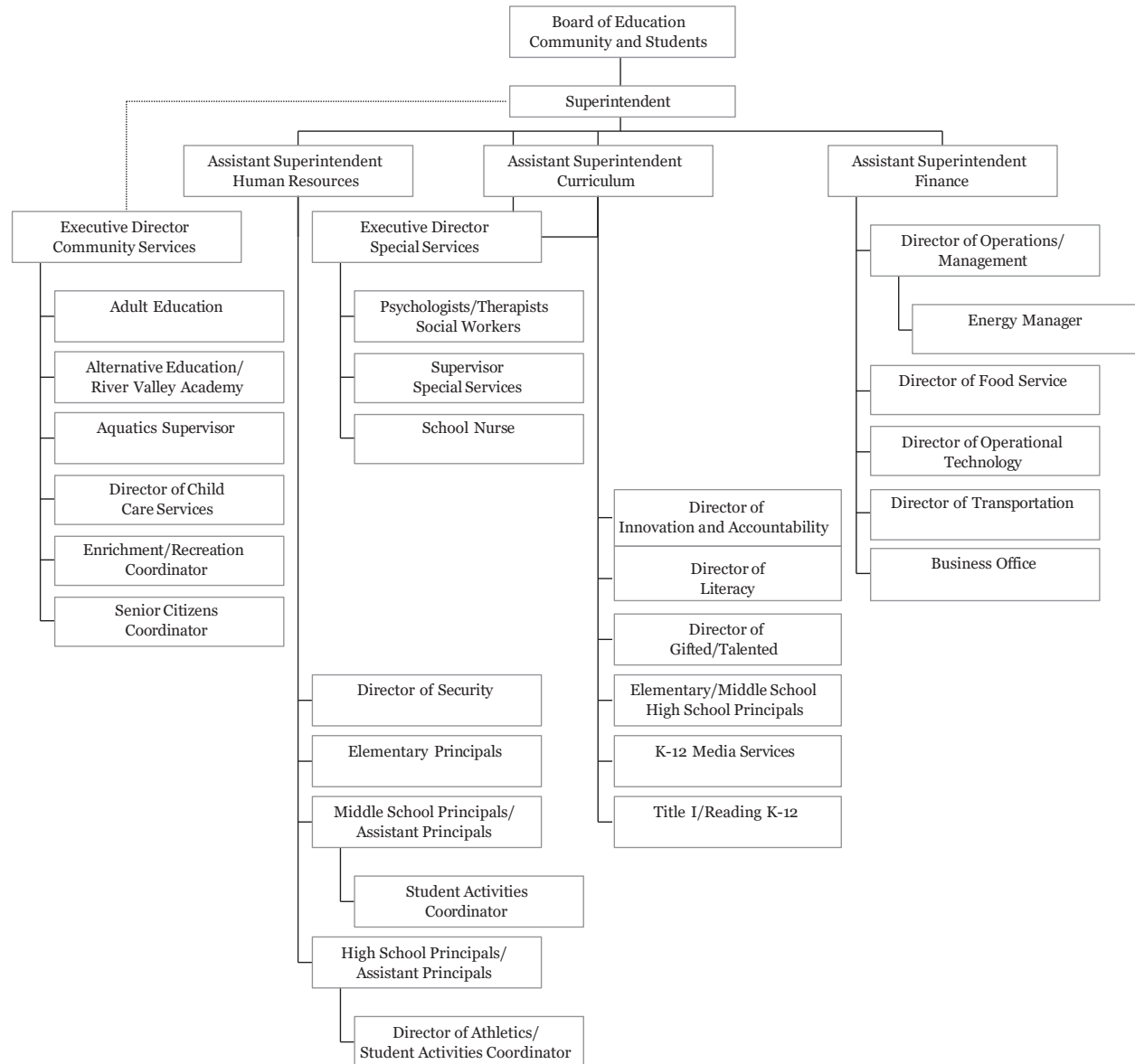
Dr. Steve Matthews
Superintendent of Schools

A handwritten signature in cursive script, appearing to read "Michael A. Cuneo".

Michael A. Cuneo
Assistant Superintendent of Finance

Rockford Public Schools

Organizational Chart





The Certificate of Excellence in Financial Reporting
is presented to

Rockford Public Schools

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, appearing to read 'Will Sutter'.

William A. Sutter
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director

Rockford Public Schools, Michigan

List of Principal Officials June 30, 2022

Board of Education

Geoffrey Downs
President

Nick Reichenbach
Vice President

Timothy Lewis
Secretary

Jake Himmelspach
Treasurer

Bobbi Jo Blanton
Trustee

Kelley Freridge
Trustee

Andrea Jacobson
Trustee

Steven Matthews, Ph.D.
Superintendent of Schools

Michael A. Cuneo
Assistant Superintendent of Finance

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

November 1, 2022

The Board of Education
Rockford Public Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rockford Public Schools as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Rockford Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Rockford Public Schools, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Rockford Public Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rockford Public Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rockford Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rockford Public Schools' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rockford Public Schools' basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements and schedules. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Emphasis of Matter

Changes in Accounting Principle

As discussed in Note M to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* for the fiscal year ended June 30, 2022. Our opinion is not modified in respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2022, on our consideration of the Rockford Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Rockford Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rockford Public Schools' internal control over financial reporting and compliance.



Certified Public Accountants
Grand Rapids, Michigan

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MANAGEMENT'S DISCUSSION AND ANALYSIS

ROCKFORD PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2022

As management of the Rockford Public Schools, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of four parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District:

- The first two statements, the Statement of Net Position, and the Statement of Activities, are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - *Governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

The Basic Financial Statements also include Notes to Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data; Required Supplementary Information includes pension and OPEB information schedules; Other Supplementary Information follows and includes combining and individual fund statements and schedules.

District-wide Statements

The district-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position, and how it has changed. Net position - the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, one should consider additional non-financial factors such as changes in the District's property tax-base, economic factors that might influence state aid revenue, and the condition of school buildings and other facilities.

ROCKFORD PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2022

In the district-wide financial statements, the District's activities are presented as follows:

- *Governmental activities:* The District's basic services are included here, such as regular and special education, instructional support, transportation, administration, community services, food service and athletics. State aid and property taxes finance most of these activities.

New Accounting Pronouncement Implemented.

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* during the fiscal year ended June 30, 2022. This Statement enhances the relevance and consistency of information about governments' leasing activities. See Note M for additional information.

Condensed District-wide Financial Information

The Statement of Net Position provides financial information on the District as a whole.

	<u>2022</u>	<u>2021</u>
Assets		
Current assets	\$ 58,899,715	\$ 71,875,039
Net capital assets	<u>133,012,172</u>	<u>125,842,924</u>
Total Assets	<u>191,911,887</u>	<u>197,717,963</u>
Deferred Outflows of Resources	<u>38,103,704</u>	<u>50,293,306</u>
Liabilities		
Current liabilities	28,960,074	29,107,056
Long-term liabilities	133,411,425	146,170,215
Net pension liability	115,948,327	166,786,348
Net OPEB liability	<u>7,503,763</u>	<u>25,911,349</u>
Total Liabilities	<u>285,823,589</u>	<u>367,974,968</u>
Deferred Inflows of Resources	<u>67,489,479</u>	<u>21,992,741</u>
Net Position		
Net investment in capital assets	15,513,015	8,696,748
Restricted	5,665,218	6,787,325
Unrestricted (deficit)	<u>(144,475,710)</u>	<u>(157,440,513)</u>
Total Net Position	<u>\$ (123,297,477)</u>	<u>\$ (141,956,440)</u>

ROCKFORD PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2022

The Statement of Activities presents changes in net position from operating results:

	<u>2022</u>	<u>2021</u>
Program Revenues		
Charges for services	\$ 3,144,735	\$ 1,956,171
Operating grants	30,513,274	27,056,762
General Revenues		
Property taxes	24,454,039	23,456,689
State school aid, unrestricted	59,427,599	56,989,930
Interest and investment earnings	96,831	55,794
Other	<u>3,205,090</u>	<u>1,739,876</u>
Total Revenues	<u>120,841,568</u>	<u>111,255,222</u>
Expenses		
Instruction	42,543,148	46,625,902
Supporting services	47,742,008	52,846,221
Food service	3,100,957	2,919,054
Community services	3,012,412	2,936,637
Other	406,354	143,132
Interest on long-term debt	5,357,362	5,598,168
Depreciation – unallocated	<u>20,364</u>	<u>23,317</u>
Total Expenses	<u>102,182,605</u>	<u>111,092,431</u>
Change in net position	18,658,963	162,791
Net Position, Beginning of Year	<u>(141,956,440)</u>	<u>(142,119,231)</u>
Net Position, End of Year	<u><u>\$ (123,297,477)</u></u>	<u><u>\$ (141,956,440)</u></u>

Financial Analysis of the District as a Whole

The District's financial position is the product of many factors. The District saw a decrease in student enrollment, however, the increase in taxable value leading to greater property tax revenue paired with an increase in State aid and a decrease in the District's total program expense, resulted in a favorable net change in position for the current fiscal year.

The District's total revenues were \$120.8 million. Property taxes and unrestricted State aid accounted for most of the District's revenues, contributing 69% of the total. The remainder came from State and federal aid for specific programs, fees charged for services, interest earnings and other local sources.

The total cost of all programs was \$102.2 million. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (70%). The District's administrative and business services accounted for 8% of total costs and operation and maintenance services accounted for 9% of total costs.

ROCKFORD PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2022

Total revenues exceeded expenses by \$18,658,963 on the Statement of Activities, increasing total net position from a deficit of \$141,956,440 to a deficit of \$123,297,477 at June 30, 2022. Unrestricted net position increased by 12,964,803 to a deficit of \$144,475,710 at June 30, 2022. The District's net pension liability, including deferred outflows and inflows of resources, decreased by \$3,714,503 during the fiscal year. In addition, the District's net OPEB liability, including outflows and inflows of resources, decreased by \$7,953,385 during the fiscal year.

The current position of the District's finances can be credited to careful monitoring of economic changes and appropriate cost-cutting measures to maintain programs during these challenging economic times. Despite the ongoing uncertainty of funding revenue from the State of Michigan, the District has endeavored to maintain a positive fund balance.

- The District has conducted a thorough budget analysis and has broken the budget down into specific components and their related expenses. This has allowed the District to prioritize expenses, and also to identify where cuts could occur if necessary.
- Regular updates were provided to the Board of Education during the school year. This information is also presented to the community via the District's website, staff meetings and presentations.
- Collaboration with the surrounding districts has helped reduce expenditures in many areas. The seven school districts in the northwest region of Kent County continue to collaborate in combining services where possible.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. As a general rule, fund balances from one fund are prohibited from being expended on expenditures of another fund.

The District utilizes one kind of fund:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information following the governmental funds' statements explain the relationship (or differences) between them.

ROCKFORD PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2022

Financial Analysis of the District's Funds

The District uses funds to record and analyze financial information. Rockford Public Schools' funds are described as follows:

Major Funds

The General Fund is our primary operating fund. The General Fund had total revenues of \$98,402,732, total expenditures of \$97,095,509, and total other financing uses of \$500. The General Fund ended the fiscal year with a fund balance of \$10,389,253, up from \$9,082,530 at June 30, 2021.

The 2019 Construction Capital Projects Fund accounts for bond proceeds to be used for voter approved capital improvement projects. During the fiscal year, the fund had total revenues of \$106,315, total other financing sources of \$119,297, and total expenditures of \$13,318,570. The fund balance at year end was \$24,348,768, and is to be used for facilities improvement projects in subsequent fiscal years.

Nonmajor Funds

Special Revenue Funds

The District operates three nonmajor Special Revenue Funds. The Food Service Fund, the Public Purpose Trust Fund, and the Student/School Activity Fund. Revenues totaled \$5,705,382, other financing sources totaled \$500, and expenditures totaled \$4,553,975 in 2021-22. The fund balances at June 30, 2022 totaled \$2,725,624. Of this balance, \$1,297,717 is attributed to the Food Service Fund, \$471,833 is attributed to the Public Purpose Trust Fund, and \$956,074 is attributed to the Student/School Activity Fund.

Debt Services Funds

The District operates four Debt Service Funds to finance the repayment of general obligation bonds. Total revenues and expenditures were \$15,444,906 and \$15,563,093, respectively. Other Financing Sources and Other Financing Uses for bond refunding and transfers between debt funds totaled \$7,095,000 and \$10,000,611, respectively. The ending fund balances totaled \$1,724,064, down from \$4,747,862 at June 30, 2021.

Capital Projects Funds

The District operates two nonmajor Capital Projects Funds. The 2016 Construction Capital Projects Fund accounts for bond proceeds to be used for voter approved capital improvement projects. During the fiscal year, the fund had total revenues of \$119,297, other financing uses of \$119,297, and no outstanding fund balance at year end. The Building and Site Sinking Capital Projects Fund accounts for property tax revenues to be used for capital improvement projects. During the fiscal year, the fund had total revenues of \$1,062,936 and total expenditures of \$364,517 during the year, the fund balance at June 30, 2022 was \$2,246,206.

ROCKFORD PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2022

General Fund Budgetary Highlights

During the course of the year, the District continuously reviews the annual operating budget after the June adoption. Changes in the budget are due to the following:

- Changes made in the fall to account for the final student enrollment, which determines how much state foundation grant will be received during the fiscal year.
- Final amendments are made in June for increases in appropriations to prevent budget overruns and reductions in expenses put into place by the administration.
- The District increased its General Fund balance by approximately \$400,000 more than budgeted. This was due to an increase in Child Care use after board adoption of budget revisions for FY 21-22.
- The final budget for the General Fund anticipated the fund balance to be 10.31% of General Fund expenditures and transfers - the actual results equaled 10.70%

Capital Asset and Debt Administration

Capital Assets

By the end of 2022, the District had a \$233,838,890 investment in a broad range of capital assets, including land and improvements, school buildings, athletic facilities, vehicles, computer equipment and software, and administrative offices. (More detailed information about capital assets can be found in Note E in the Notes to Basic Financial Statements.)

At June 30, 2022, the District's investment in capital assets (net of accumulated depreciation), was \$133,012,172. Net capital asset additions totaled \$12,959,979 for the fiscal year with accumulated depreciation increasing \$5,704,377, leaving a net increase in the book value of capital assets of \$7,169,248.

The District's net investment in capital assets, including land, land improvements, buildings and additions, vehicles and furniture and equipment, is detailed as follows:

Land	\$ 2,093,127
Construction in progress	7,196,386
Land improvements	10,247,830
Buildings and improvements	105,720,021
Furniture and equipment	4,885,709
Vehicles	<u>2,869,099</u>
Net Capital Assets	<u><u>\$ 133,012,172</u></u>

ROCKFORD PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2022

Long-term Obligations

At year end, the District had \$143.8 million in general obligation bonds and other long-term obligations outstanding – a net decrease of \$12.8 million from June 30, 2021.

The District's bond rating for general obligation debt was affirmed by Standard and Poor's as AA with a stable outlook. The State limits the amount of general obligation debt that schools can issue up to 15% of the assessed value of all taxable property within a District's boundaries.

The District's other obligations include early retirement incentive and accumulated sick leave. We present more detailed information about our long-term liabilities in Note G in the Notes to Basic Financial Statements.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

- The State of Michigan continues to increase its focus on student achievement. Results of standardized test scores are compared from year to year, with the results being tabulated by school building and by district.
- In May of 2019, the community approved both a bond and sinking fund ballot initiative for a total of \$185 million dollars. The initiative is a ten-year capital project investment designed to accommodate our student population change along with providing innovative learning environments. The District is now entering the 2nd phase of construction.
- The District is part of a statewide multi-employer defined benefit pension plan. Recent pension reform enacted at the state level includes as goals the limiting of future rate increases and a reduction in the plan's unfunded liability.
- The impact of COVID-19 on K-12 Education programs is critical. COVID-19 has generated uncertainty of student enrollment, as well as concern for funding of K-12 education programs for an undetermined amount of time. As a result, the Board of Education has adopted new strategic plan goals and will continue to refine those goals to align with potential future funding opportunities and challenges.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Rockford Public Schools, 350 N. Main Street, Rockford, Michigan 49341.

BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash	\$ 2,750
Cash equivalents, deposits and investments (Note B)	43,440,578
Accounts receivable	181,176
Due from other governmental units (Note C)	15,203,595
Inventory	56,293
Prepaid expenses	15,323
Capital assets not being depreciated (Note E)	9,289,513
Capital assets being depreciated, net (Note E)	<u>123,722,659</u>
Total Assets	<u>191,911,887</u>
Deferred Outflows of Resources	
Loss on advance bond refundings, net	812,624
Deferred pension amounts	26,528,693
Deferred OPEB amounts	<u>10,762,387</u>
Total Deferred Outflows of Resources	<u>38,103,704</u>
Liabilities	
Accounts payable	3,968,196
State aid loan payable (Note F)	2,000,000
Due to other governmental units	4,240,450
Payroll withholdings payable	169,270
Accrued interest payable	1,033,089
Salaries payable	3,871,034
Unearned revenue	3,214,437
Long-term liabilities: (Note G)	
Due within one year	10,463,598
Due in more than one year	133,411,425
Net pension liability (Note H)	115,948,327
Net OPEB Liability (Note I)	<u>7,503,763</u>
Total Liabilities	<u>285,823,589</u>
Deferred Inflows of Resources	
Deferred pension amounts	38,912,991
Deferred OPEB amounts	<u>28,576,488</u>
Total Deferred Inflows of Resources	<u>67,489,479</u>
Net Position	
Net investment in capital assets	15,513,015
Restricted for:	
Capital projects	2,246,206
Debt service	693,388
Food service	1,297,717
Public purpose trust	471,833
Student/school activity	956,074
Unrestricted (deficit)	<u>(144,475,710)</u>
Total Net Position	<u><u>\$(123,297,477)</u></u>

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS
Statement of Activities
For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants	
Governmental Activities				
Instruction	\$ 42,543,148	\$ -	\$ 24,762,517	\$ (17,780,631)
Supporting services	47,742,008	571,302	1,852,145	(45,318,561)
Food service	3,100,957	644,781	3,685,236	1,229,060
Community services	3,012,412	1,928,652	-	(1,083,760)
Other	406,354	-	-	(406,354)
Interest on long-term debt	5,357,362	-	213,376	(5,143,986)
Depreciation - unallocated*	<u>20,364</u>	<u>-</u>	<u>-</u>	<u>(20,364)</u>
Total Governmental Activities	\$ 102,182,605	\$ 3,144,735	\$ 30,513,274	(68,524,596)
General Revenues				
Taxes:				
Property taxes, levied for general operations				8,153,929
Property taxes, levied for debt service				15,241,458
Property taxes, levied for capital improvements				1,058,652
State school aid, unrestricted				59,427,599
Interest and investment earnings				96,831
Other				<u>3,205,090</u>
Total General Revenues				<u>87,183,559</u>
Change in Net Position				<u>18,658,963</u>
Net Position - Beginning of Year				<u>(141,956,440)</u>
Net Position - End of Year				<u><u>\$ (123,297,477)</u></u>

*This amount excludes direct depreciation expenses of the various programs.

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2022

	General	2019 Construction	Nonmajor	Total
Assets				
Cash	\$ 1,250	\$ -	\$ 1,500	\$ 2,750
Cash equivalents, deposits and investments (Note B)	9,425,390	27,318,037	6,697,151	43,440,578
Accounts receivable	181,176	-	-	181,176
Due from other funds (Note D)	134,471	-	121,015	255,486
Due from other governmental units (Note C)	15,203,595	-	-	15,203,595
Inventory	17,966	-	38,327	56,293
Prepaid expenditures	12,048	-	3,275	15,323
Total Assets	\$ 24,975,896	\$ 27,318,037	\$ 6,861,268	\$ 59,155,201
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 977,270	\$ 2,969,269	\$ 21,657	\$ 3,968,196
State aid anticipation loan payable (Note F)	2,000,000	-	-	2,000,000
Due to other funds (Note D)	121,015	-	134,471	255,486
Due to other governmental units	4,240,450	-	-	4,240,450
Payroll withholdings payable	160,024	-	9,246	169,270
Accrued interest payable	2,413	-	-	2,413
Salaries payable	3,871,034	-	-	3,871,034
Unearned revenue	3,214,437	-	-	3,214,437
Total Liabilities	14,586,643	2,969,269	165,374	17,721,286
Fund Balances (Note A)				
Nonspendable				
Inventory	17,966	-	38,327	56,293
Prepaid expenditures	12,048	-	-	12,048
Restricted			3,275	3,275
Food Service	-	-	1,256,115	1,256,115
Public purpose trust	-	-	471,833	471,833
Student/school activity	-	-	956,074	956,074
Debt Service	-	-	1,724,064	1,724,064
Capital Projects	-	24,348,768	2,246,206	26,594,974
Unassigned	10,359,239	-	-	10,359,239
Total Fund Balances	10,389,253	24,348,768	6,695,894	41,433,915
Total Liabilities and Fund Balances	\$ 24,975,896	\$ 27,318,037	\$ 6,861,268	\$ 59,155,201

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2022

Total governmental fund balances		\$ 41,433,915
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$233,838,890 and accumulated depreciation is \$100,826,718.		133,012,172
Bond refunding losses are not expensed but are amortized over the life of the new bond issue on the Statement of Activities.		812,624
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	\$ (124,870,000)	
Bond premium	(17,790,549)	
Early retirement incentive	(685,160)	
Accumulated sick leave	<u>(529,314)</u>	(143,875,023)
Accrued interest on long-term debt is not included as a liability in governmental funds.		(1,030,676)
Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net pension liability	(115,948,327)	
Deferred outflows	26,528,693	
Deferred inflows	<u>(38,912,991)</u>	(128,332,625)
Net OPEB liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net OPEB liability	(7,503,763)	
Deferred outflows	10,762,387	
Deferred inflows	<u>(28,576,488)</u>	(25,317,864)
Total net position - governmental activities		<u><u>\$ (123,297,477)</u></u>

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022

	General	2019 Construction	Nonmajor	Total
Revenues				
Local sources	\$ 12,339,121	\$ 106,315	\$ 18,455,259	\$ 30,900,695
State sources	75,077,789	-	420,811	75,498,600
Federal sources	3,982,069	-	3,456,451	7,438,520
Interdistrict sources	7,003,753	-	-	7,003,753
Total Revenues	98,402,732	106,315	22,332,521	120,841,568
Expenditures				
Current:				
Instruction	58,050,617	-	-	58,050,617
Supporting services	35,773,413	692,862	1,131,530	37,597,805
Food service	-	-	3,422,445	3,422,445
Community services	3,271,479	-	-	3,271,479
Capital outlay	-	12,625,708	364,517	12,990,225
Debt service:				
Principal repayment	-	-	9,064,389	9,064,389
Interest and fiscal charges	-	-	6,498,704	6,498,704
Total Expenditures	97,095,509	13,318,570	20,481,585	130,895,664
Excess (Deficiency) of Revenues Over Expenditures	1,307,223	(13,212,255)	1,850,936	(10,054,096)
Other Financing Sources (Uses)				
Proceeds from refinancing debt	-	-	4,340,000	4,340,000
Transfers in	-	119,297	2,755,500	2,874,797
Transfers out	(500)	-	(2,874,297)	(2,874,797)
Payment to bond escrow agent	-	-	(7,245,611)	(7,245,611)
Total Other Financing Sources (Uses)	(500)	119,297	(3,024,408)	(2,905,611)
Net Change in Fund Balances	1,306,723	(13,092,958)	(1,173,472)	(12,959,707)
Fund Balances, Beginning of Year	9,082,530	37,441,726	7,869,366	54,393,622
Fund Balances, End of Year	\$ 10,389,253	\$ 24,348,768	\$ 6,695,894	\$ 41,433,915

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2022

Net change in fund balances - total governmental funds **\$ (12,959,707)**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlays	\$ 12,959,979	
Depreciation expense	<u>(5,704,377)</u>	7,255,602

In the Statement of Activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale(s) increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold/retired. (86,354)

Bond refunding losses are amortized over the life of the new bond issue on the Statement of Activities. (108,621)

Bond premium is amortized over the life of the new bond issue on the Statement of Activities. 1,198,598

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not effect the Statement of Activities:
Repayment of general obligation bonds 11,650,000

Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. 51,365

In the Statement of Net Position, early retirement incentive and accumulated sick leave are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of benefits earned (\$528,723) exceeded the, benefits used/paid (\$518,915). (9,808)

The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds. 3,714,503

The changes in net OPEB liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds. 7,953,385

Total changes in net position - governmental activities **\$ 18,658,963**

See accompanying notes to basic financial statements.

ROCKFORD PUBLIC SCHOOLS
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Local sources	\$ 10,093,465	\$ 11,248,112	\$ 12,339,121	\$ 1,091,009
State sources	68,970,587	73,494,840	75,077,789	1,582,949
Federal sources	6,798,500	5,973,489	3,982,069	(1,991,420)
Interdistrict sources	6,554,237	6,658,355	7,003,753	345,398
Total Revenues	92,416,789	97,374,796	98,402,732	1,027,936
Expenditures				
Instruction:				
Basic programs	48,306,610	49,322,633	49,995,167	(672,534)
Added needs	7,966,250	8,001,594	7,787,689	213,905
Adult education	250,384	463,243	267,761	195,482
Supporting services:				
Pupil services	4,645,169	4,977,885	5,531,458	(553,573)
Instructional staff services	3,161,557	3,686,803	4,730,316	(1,043,513)
General administrative services	748,977	692,288	813,281	(120,993)
School administrative services	5,259,498	5,529,378	5,376,170	153,208
Business services	1,443,412	1,609,628	1,761,492	(151,864)
Operation and maintenance services	9,051,275	9,083,473	8,750,446	333,027
Pupil transportation services	4,149,409	4,293,316	4,422,496	(129,180)
Central services	2,697,715	2,908,355	2,542,308	366,047
Other supporting services	1,561,690	1,462,115	1,845,446	(383,331)
Community services:	2,905,761	4,351,871	3,271,479	1,080,392
Debt service:				
Principal repayment	100,000	108,000	-	108,000
Interest and fiscal charges	13,642	13,642	-	13,642
Total Expenditures	92,261,349	96,504,224	97,095,509	(591,285)
Excess (Deficiency) of Revenues Over Expenditures	155,440	870,572	1,307,223	(436,651)
Other Financing Uses				
Transfers out	-	-	(500)	500
Net Change in Fund Balances	155,440	870,572	1,306,723	436,151
Fund Balances, Beginning of Year	9,082,530	9,082,530	9,082,530	-
Fund Balances, End of Year	\$ 9,237,970	\$ 9,953,102	\$ 10,389,253	\$ 436,151

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

Note A – Summary of Significant Accounting Policies

Rockford Public Schools (the “District”) was organized under the School Code of the State of Michigan, and services a population of approximately 7,768 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, pre-school programs, athletic activities, special education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District’s significant accounting policies are described below.

1. Reporting Entity

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District’s financial statements include the funds of those organizational entities for which its elected governing board is financially accountable.

2. District-wide and Fund Financial Statements

District-wide Financial Statements - The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. The District does not allocate indirect costs and, for the most part, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

The Statement of Net Position is reported on the full accrual, economic resources basis, which recognizes all long-term assets as well as all long-term debt and obligations. The District’s net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, unrestricted state aid, interest earnings and other items not included among program revenues are reported instead as *general revenues*.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund and the 2019 Construction Capital Projects Fund are the District's major funds. Nonmajor funds are aggregated and presented in a single column.

Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities, and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the district-wide level. Reconciliations between the two sets of statements are provided in separate schedules.

Revenues are recognized when susceptible to accrual, i.e., both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

Revenues susceptible to accrual are property taxes, state aid, federal and interdistrict revenues and investment income. Other revenues are recognized when received. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of the qualifying expenditures.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

The State of Michigan utilizes a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a State-wide formula. The foundation allowance is funded from a combination of State and local sources. Revenues from State sources are primarily governed by the School Aid Act and the School Code of Michigan. The State portion of the foundation allowance is provided from the State's School Aid Fund and is recognized as revenues in accordance with State law and accounting principles generally accepted in the United States of America.

Governmental Funds

Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use and balances of a school district's expendable financial resources and the related current liabilities are accounted for through governmental funds.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

Major Funds:

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund. Included are all transactions related to the current operating budget.

The *2019 Construction Capital Projects Fund* is used to record the bond proceeds, investment earnings and the disbursement of the monies specifically designated for acquiring new school sites, buildings, equipment, and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished.

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of Section 1351a of the State of Michigan's School Code.

Nonmajor Funds:

Special Revenue Funds—Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

School Service Funds—School Service Funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. A school district maintains full control of these funds. The School Service Funds maintained by the District are the Food Service Special Revenue Fund, the Public Purpose Trust Special Revenue Fund, and Student/School Activity Special Revenue Fund.

Debt Service Funds—Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt (bonds, notes, loans, leases, and school bond loan) principal, interest, and related costs.

Capital Projects Funds—Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment, and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished.

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of Section 1351a of the State of Michigan's School Code. For capital project activities funded with sinking fund millage, the District has complied with applicable provisions of Section 1212 (I) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

4. Budgets and Budgetary Accounting

State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act) requires that the General Fund of a school district be under budgetary control and that both budgeted and actual financial results do not incur a deficit. Rockford Public Schools has also adopted budgets for its Special Revenue Fund. A school district's Budget Appropriations Act (the "budget") must be adopted before the beginning of each fiscal year. No violations (dollar deviations) from a district's budget may occur without a corresponding amendment to the budget. A school district has the ability to amend the budget provided that the amendment is prior to the occurrence of the deviation and prior to the fiscal year end. A school district may also permit the chief administrative or fiscal officer to execute transfers between line items, within defined dollar or percentage limits, without prior approval of the Board of Education. Expenditures may not legally exceed budgeted appropriations at the function level. All appropriations lapse at the end of the fiscal year.

Rockford Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- Starting in the spring, District administrative personnel and department heads work with the Superintendent and Assistant Superintendent of Finance to establish proposed operating budgets for the fiscal year commencing the following July 1.
- In June, preliminary operating budgets are submitted to the Board of Education. These budgets include proposed expenditures and the means of financing them. The legal level of budgetary control is at the function level.
- Prior to June 30, a public hearing is held to obtain taxpayer comments on the proposed budgets.
- After the budgets are finalized, the Board of Education adopts an appropriations resolution setting forth the amount of the proposed expenditures and the sources of revenue to finance them.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act).
- Budgets for the General and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budget integration in the governmental funds. There were no substantial encumbrances outstanding at year end.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

6. Investments

Investments are recorded at fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

7. Inventories/Prepaid Items

Inventories are valued at cost (first-in, first-out), and are accounted for using the consumption method. Inventories of the General Fund consist of teaching and custodial supplies, while inventories of the Food Service Fund consist of food, and other nonperishable supplies. Disbursements for inventory-type items are recorded as expenditures at the time of use for each fund. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed (consumption method) rather than when purchased.

8. Capital Assets

Capital assets, which include land, land improvements, buildings, vehicles and furniture and equipment, are reported in the district-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related assets.

Land improvements, buildings and improvements, furniture and equipment, and vehicles are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10 - 20 years
Buildings and improvements	40 - 50 years
Furniture and equipment	3 - 10 years
Vehicles	5 - 10 years

9. Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

10. Early Retirement Incentive/Accumulated Sick Leave

Early retirement incentive and accumulated sick leave at June 30, 2022 have been computed and recorded in the basic financial statements of the District. Eligible District employees who select early retirement are entitled to a termination leave payment based on their age and years of service. Employees who leave the District are also entitled to reimbursement for a portion of their unused sick days. At June 30, 2022, the accumulated liabilities, including salary related payments, (expected to be financed by General Fund revenues) for early retirement incentive and accumulated sick leave amounted to \$685,160 and \$529,314, respectively.

11. Retirement Plan

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, were implemented by the District during the fiscal year ended June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, the Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Cost sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans – pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. For this purpose, benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

12. Postemployment Benefits Other Than Pensions

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented by the District during the fiscal year ended June 30, 2018. This Statement establishes standards for recognizing and measuring (OPEB) liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB plans, the Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about OPEB are also addressed. Distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet specific criteria. Cost-sharing employers are those whose employees are provided with defined benefit OPEB through cost-sharing multiple-employer OPEB plans—OPEB plans in which the OPEB obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides OPEB through the OPEB plan.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

13. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three such items that qualify for reporting in this category: the deferred charge on a previous year's bond refunding, the deferred outflows of resources relating to the recognition of net pension liability on the financial statements and the deferred outflows of resources relating to the recognition of net OPEB liability on the financial statements.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category: the deferred inflows of resources relating to the recognition of net pension liability on the financial statements and the deferred inflows of resources relating to the recognition of net OPEB liability on the financial statements.

14. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net position is reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws, or regulations from other governments.

15. Fund Balance

The District has adopted Governmental Accounting Standards Board (GASB) No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The stated objective GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds detailed as follows:

- Nonspendable – resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).

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- Restricted – resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.
- Committed – resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority (Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts. Committed fund balance does not lapse at year end.
- Assigned – resources that are constrained by the government’s *intent* to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes. Rockford Public Schools’ Board of Education has delegated authority to assign fund balances for a specific purpose to the Superintendent and the Assistant Superintendent of Finance. Assigned fund balance does not lapse at year end.
- Unassigned – unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

As of June 30, 2022, Rockford Public Schools had not established a policy for its use of unrestricted fund balance amounts; it considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

16. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

17. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
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Note B – Cash Equivalents and Investments

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and matures not more than 270 days after the date of purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- United States government or Federal agency obligation repurchase agreements.
- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.
- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school district in Michigan.
- Investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a school district in Michigan.

Balances at June 30, 2022 related to cash equivalents and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Position:

Governmental Activities	<u>\$ 43,440,578</u>
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Cash Equivalents

Depositories actively used by the District during the year are detailed as follows:

1. Independent Bank

Cash equivalents consist of bank public funds checking and savings accounts.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
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June 30, 2022 balances are detailed as follows:

Cash equivalents	<u>\$ 409,680</u>
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Custodial Credit Risk Related to Bank Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's bank deposits may not be returned to the District. Protection of District bank deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents was \$409,680 and bank balance was \$406,457. The amount not covered by federal depository insurance totaled \$156,457. The District has no policy to address Custodial Credit Risk.

Investments

As of June 30, 2022, the District had the following investments:

Surplus Funds Investment Pool Accounts:	
MILAF+ Cash Management Class	\$ 5,438,230
MILAF+ MAX Class	<u>37,592,668</u>
	<u>\$ 43,030,898</u>

The Michigan Liquid Asset Fund Plus (MILAF+) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. MILAF+ is not regulated or registered with the Securities Exchange Commission at June 30, 2022. The MILAF+ is carried at net amortized value (NAV) and is rated AAAM by Standard & Poor's rating agency. The MILAF+ MAX class requires a 14-day redemption notice.

Custodial Credit Risk Related to Investments

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District will minimize custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business. At June 30, 2022, the District had no investments that were subject to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investment policy does not specifically address credit risk but minimizes its credit risk by limiting investments to the types allowed by the State.

Interest Rate Risk

The District minimizes interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

ROCKFORD PUBLIC SCHOOLS
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Concentration of Credit Risk

The District minimizes concentration of credit risk which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security.

Foreign Currency Risk

The District is not authorized to invest in investments which have this type of risk.

Note C – State School Aid/Property Taxes

On March 15, 1994, the voters of the State of Michigan approved Proposal A, which increased the State Sales and Use Tax rates from 4% to 6% and established a State Education Tax at a rate of 6 mills on all property, except that which is exempt by law from ad valorem property taxes, and dedicated the additional revenues generated to Michigan school districts.

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February 2021 and October 2021. The 2021-22 "Foundation Allowance" for Rockford Public Schools was \$8,700 for 7,766 "Full Time Equivalent" students, generating \$73,363,602 in state aid payments to the District of which \$13,487,915 was paid to the District in July and August 2022 and included in "Due From Other Governmental Units" of the General Fund of the District.

Property taxes for the District are levied July 1 and December 1 (the tax lien dates) under a split-levy system by the City of Rockford and the Townships of Algoma, Cannon, Courtland, Grattan, Oakfield, and the Charter Township of Plainfield, and are due 75 days after levy dates. The taxes are then collected by each governmental unit and remitted to the District. The County of Kent, through its Delinquent Tax Revolving Fund, advances all delinquent real property taxes at March 1 to the District each year prior to June 30.

Section 1211(1) of 1993 PA 312 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill "Local Enhancement Millage" which must be shared between all local districts in each respective county intermediate district.

As Rockford Public Schools' electors had previously (November 2018) approved a ten-year 18 mill operating millage extension, due to Headlee rollbacks only 17.1924 mills of non-homestead property tax was levied in the District for 2021.

The District levied a .9283 recreation millage, 7.00 mills for debt service purposes and 0.4877 mills for building and site in 2021, applied on all taxable property in the District.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
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Taxable property in the District is assessed initially at 50% of true cash value by the assessing officials of the various units of government that comprise the District. These valuations are then equalized by the county and finally by the State of Michigan, generating the State Equalized Valuation. Taxable valuation increases will be limited, or capped (known as capped valuation), at 5% or the rate of inflation, whichever is less. With the implementation of Proposal A and Public Act 36, taxable property is now divided into two categories: PRE and NPRE.

A principal residence exemption property (PRE) is exempt from the 18 mill "School Operating" tax. It is not exempt from the 6 mill "State Education" tax, any voted "Local Enhancement Millage" nor any additional voted millage for the retirement of debt.

Non-principal residence exemption property (NPRE) is subject to all District levies. However, since Public Act 36, establishing the Michigan Business Tax, was signed into law, Public Acts 37-40 of 2007 now exempt Industrial Personal Property from the 6 mill State Education Tax and up to 18 mills of local school district operating millage (includes property under Industrial Facilities Tax exemptions); and exempt Commercial Personal Property from up to 12 mills of local school district operating millage (exceptions may apply).

The District is subject to tax abatements granted by the County of Kent with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assists in the building of new facilities, and promotes the establishment of high-tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term up to 12 years as determined by the local unit of government. The agreements entered into by each local unit include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The tax abated property taxes are calculated by applying half the local property tax millage rate on the total IFT taxable value. This amounts to a reduction in property tax revenue of approximately 50%.

For the year ended June 30, 2022, the District's property tax revenues were reduced by approximately \$27,287 under these agreements.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
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Note D – Interfund Receivables/Payables and Transfers

Amounts due from (to) other funds, representing interfund receivables and payables for year-end expenditure allocations not reimbursed at June 30, 2022, are detailed as follows:

	<u>Due From</u>	<u>Due To</u>
Major Funds		
General Fund:		
Special Revenue Funds:		
Food Service Fund	\$ 134,451	\$ 51,227
Student/School Activity Fund	20	69,788
	<u>134,471</u>	<u>121,015</u>
Total Major Funds		
	<u>134,471</u>	<u>121,015</u>
Nonmajor Funds		
Special Revenue Funds:		
Food Service Fund:		
General Fund	51,227	134,451
Student/School Activity Fund:		
General Fund	<u>69,788</u>	<u>20</u>
	<u>121,015</u>	<u>134,471</u>
Total Nonmajor Funds		
	<u>121,015</u>	<u>134,471</u>
Total All Funds	<u><u>\$ 255,486</u></u>	<u><u>\$ 255,486</u></u>

Operating transfers between funds to allocate expenditures during the year ended June 30, 2022 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General Fund:		
Public Purpose Trust Fund	\$ -	\$ 500
Capital Projects Fund:		
2019 Construction Fund	<u>119,297</u>	<u>-</u>
	<u>119,297</u>	<u>500</u>
Total Major Funds		
	<u>119,297</u>	<u>500</u>
Nonmajor Funds		
Special Revenue Fund:		
General Fund	500	-
Debt Service Funds:		
2014 Debt Service	2,755,000	-
2015 Refunding Debt Service	-	500,000
2016 Debt Service	-	1,255,000
2019 Debt Service	-	1,000,000
Capital Projects Fund:		
2016 Construction	<u>-</u>	<u>119,297</u>
	<u>2,755,500</u>	<u>2,874,297</u>
Total Nonmajor Funds		
	<u>2,755,500</u>	<u>2,874,297</u>
Total All Funds	<u><u>\$ 2,874,797</u></u>	<u><u>\$ 2,874,797</u></u>

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

Note E – Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balances July 1, 2021	Additions	Deductions	Balances June 30, 2022
Capital assets not being depreciated:				
Land	\$ 2,093,127	\$ -	\$ -	\$ 2,093,127
Construction in progress	10,682,414	10,880,834	14,366,862	7,196,386
Totals capital assets not being depreciated	<u>12,775,541</u>	<u>\$ 10,880,834</u>	<u>\$ 14,366,862</u>	<u>9,289,513</u>
Capital assets being depreciated:				
Land improvements	19,159,045	\$ 2,653,083	\$ -	21,812,128
Buildings and improvements	162,546,395	12,593,777	-	175,140,172
Furniture and equipment	21,189,534	483,310	-	21,672,844
Vehicles	5,733,153	715,837	524,757	5,924,233
Totals capital assets being depreciated	<u>208,628,127</u>	<u>\$ 16,446,007</u>	<u>\$ 524,757</u>	<u>224,549,377</u>
Less accumulated depreciation for:				
Land improvements	10,828,531	\$ 735,767	\$ -	11,564,298
Buildings and improvements	65,559,519	3,860,632	-	69,420,151
Furniture and equipment	16,124,997	662,138	-	16,787,135
Vehicles	3,047,697	445,840	438,403	3,055,134
Total accumulated depreciation	<u>95,560,744</u>	<u>\$ 5,704,377</u>	<u>\$ 438,403</u>	<u>100,826,718</u>
Total capital assets being depreciated, net	<u>113,067,383</u>			<u>123,722,659</u>
Net Capital Assets	<u><u>\$ 125,842,924</u></u>			<u><u>\$ 133,012,172</u></u>

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	\$ 3,706,554
Supporting services	1,854,057
Community services	3,824
Food service	119,578
Unallocated	<u>20,364</u>
	<u><u>\$ 5,704,377</u></u>

Depreciation expense totaling \$20,364 was not charged to activities of the District, as the District considers allocation not to be practical as the assets are used in multiple activities.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

Note F – Short-term Debt

On August 20, 2021, the District repaid the \$4,500,000 August 20, 2020 State aid anticipation loan. On August 20, 2021, the District borrowed \$2,000,000 for cash flow purposes, in anticipation of State aid (interest at 0.25%). The loan is due in full on August 20, 2022. Net interest cost on the loans was \$2,413 for the fiscal year. This was included as an expenditure in General Fund Other Business Services as required by the Michigan Department of Education.

	Debt Outstanding July 1, 2021	Debt Added	Debt Retired	Debt Outstanding June 30, 2022
State Aid Anticipation Loans	\$ 4,500,000	\$ 2,000,000	\$ 4,500,000	\$ 2,000,000

Note G – Long-term Obligations

Changes in long-term obligations for the year ended June 30, 2022 are summarized as follows:

	Debt Outstanding July 1, 2021	Debt Added	Debt Retired	Debt Outstanding June 30, 2022
General obligation bonds:				
June 3, 2014	\$ 28,255,000	\$ -	\$ 8,370,000	\$ 19,885,000
February 6, 2015	12,060,000	-	2,115,000	9,945,000
June 6, 2016	25,775,000	-	-	25,775,000
June 6, 2016	30,200,000	-	455,000	29,745,000
June 26, 2019	40,230,000	-	5,050,000	35,180,000
June 15, 2022	-	4,340,000	-	4,340,000
Bond premium	18,989,147	-	1,198,598	17,790,549
Early retirement incentive- contractual	746,429	276,067	337,336	685,160
Accumulated sick leave	458,237	252,656	181,579	529,314
	<u>\$156,713,813</u>	<u>\$ 4,868,723</u>	<u>\$ 17,707,513</u>	<u>\$ 143,875,023</u>

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

Long-term obligations outstanding at June 30, 2022 are comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
\$31,780K 2014 Building and Site:				
Annual maturities of \$1,375K to \$1,755K	May 1, 2039	4.00 - 5.00	\$ 19,885,000	\$ 1,375,000
\$26,375K 2015 General Obligation Refunding:				
Annual maturities of \$1,895K to \$2,080K	May 1, 2027	5.00	9,945,000	2,080,000
\$27,440K 2016 General Obligation Refunding Series B:				
Annual maturities of \$530K to \$3,890K	May 1, 2039	4.00 - 5.00	25,775,000	560,000
\$35,070K 2016 Building and Site:				
Annual maturities of \$210K to \$2,075K	May 1, 2044	4.00 - 5.00	29,745,000	210,000
\$48,665K 2019 Building and Site Series I:				
Annual maturities of \$250K to \$3,120K	May 1, 2046	4.00 - 5.00	35,180,000	250,000
\$4,340K 2022 General Obligation Refunding:				
Annual maturity of \$4,340K	May 1, 2023	2.60	4,340,000	4,340,000
Bond premium			17,790,549	1,198,598
Other Obligations				
Early retirement incentive - contractual			685,160	150,000
Accumulated sick leave			529,314	300,000
			<u>\$ 143,875,023</u>	<u>\$10,463,598</u>

On June 15, 2022, the District issued \$4,340,000 in general obligation bonds, and used contributions of \$3,000,000 from existing Debt Service Funds, to advance refund \$7,020,000 of outstanding 2014 serial bonds. The trust interest cost of the refunding bonds was 3.201873%, resulting in a total net present value savings of \$950,555, or 13.540663%. The net proceeds of \$7,245,611, after underwriter's discount of \$22,351, and bond issuance costs of \$72,038, were deposited with an escrow agent and used to retire the outstanding obligations described above. This procedure relieves the District from being primarily liable for the debt and the District is virtually assured of not being required to make further payments with respect to the refunded debt. The final payment of outstanding principal and interest was made on June 15, 2022 from the escrow account. This defeasance procedure allows the District to remove the related assets and liabilities from its financial statements, which it has done for the fiscal year ending June 30, 2022.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

The annual requirements to pay principal and interest on long-term bonds outstanding are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 8,815,000	\$ 6,197,848	\$ 15,012,848
2024	4,725,000	5,885,250	10,610,250
2025	5,020,000	5,661,900	10,681,900
2026	5,275,000	5,410,900	10,685,900
2027	5,525,000	5,147,150	10,672,150
2028	5,805,000	4,870,900	10,675,900
2029	6,040,000	4,621,200	10,661,200
2030	6,335,000	4,319,200	10,654,200
2031	6,630,000	4,002,450	10,632,450
2032	6,775,000	3,670,950	10,445,950
2033	6,795,000	3,332,200	10,127,200
2034	4,900,000	2,992,450	7,892,450
2035	5,135,000	2,747,450	7,882,450
2036	3,610,000	2,245,000	5,855,000
2037	3,845,000	2,082,800	5,927,800
2038	4,105,000	1,909,600	6,014,600
2039	4,380,000	1,724,900	6,104,900
2040	4,680,000	1,529,200	6,209,200
2041	4,905,000	1,295,200	6,200,200
2042	5,100,000	1,078,500	6,178,500
2043	5,105,000	823,500	5,928,500
2044	5,125,000	568,250	5,693,250
2045	3,120,000	312,000	3,432,000
2046	3,120,000	156,000	3,276,000
	<u>\$124,870,000</u>	<u>\$ 72,584,798</u>	<u>\$ 197,454,798</u>

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

Note H – Retirement Plan

Plan Description

The Michigan Public School Employees' Retirement System (MPERS) (the "System") is a cost-sharing, multiple-employer, state-wide, defined benefit public employee retirement system governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members – eleven appointed by the Governor, and the State Superintendent of Instruction, who serves as the ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor, and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management and Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available at www.michigan.gov/orsschools.

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of pension plans offered by MPERS are detailed as follows:

Plan Name	Plan Type	Plan Status
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed
Pension Plus	Hybrid	Closed
Defined Contribution	Defined Contribution	Open
Pension Plus 2	Hybrid	Open

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

ROCKFORD PUBLIC SCHOOLS
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Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of MPSERS who became a member of MPSERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010 and who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013. Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

Option 1 members voluntarily elected to increase their contributions to the pension fund as noted below and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment.

- Basic Plan members; 4% contribution
- Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members: a flat 7% contribution

Option 2 members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic Plan members, 3.9% for MIP-Fixed, up to 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

Option 3 members voluntarily elected not to increase their contribution to the pension fund and maintain their current level of contribution to the pension fund. The pension formula for their years of service as of the day before their transition date will include a 1.5% pension factor. The pension formula for any service thereafter will include a 1.25% pension factor.

Option 4 members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to a tax-deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS to a 457 account. They vest in employer contributions and related earnings in their 401(k) account based on the following schedule: 50% at 2 years, 75% at 3 years, and 100% at 4 years of service. They are 100% vested in any personal contributions and related earnings in the 457 account. Upon retirement, if they meet age and service requirements (including their total years of service), they will also receive a pension (calculated based on years of service and Final Average Compensation as of the day before their transition date and a 1.5% pension factor).

ROCKFORD PUBLIC SCHOOLS
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Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose. Employees who first work on or after September 4, 2012, choose between two retirement plans: the Pension Plus plan described above and a Defined Contribution (DC) plan that provides a 50% employer match (up to 3% of salary) on employee contributions. New employees are automatically enrolled as members in the Pension Plus plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus plan and become a qualified participant in the DC plan; if no election is made, they will remain in the Pension Plus plan. If they elect to opt out of the Pension Plus plan, their participation in the DC plan will be retroactive to their date of hire.

Pension Reform of 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closed the Pension Plus plan to newly hired employees as of February 1, 2018 and created a new, optional Pension Plus 2 plan with similar plan benefit calculations but containing a 50/50 contribution share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 plan would close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law includes other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

Regular Retirement

The retirement benefit for DB and Pension Plus plan members is based on a member's years of credited service (employment) and final average compensation (FAC). The FAC is calculated based on the member's highest total wages earned during a specific period of consecutive calendar months divided by the service credit accrued during that same time period. For a Member Investment Plan (MIP) member, who became a member of MPSERS prior to July 1, 2010, the averaging period is 36 consecutive months. For a Pension Plus member, who became a member of MPSERS after June 30, 2010, the averaging period is 60 consecutive months. For a Basic Plan member, this is the 60 consecutive months yielding the highest total wages. The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012 and is shown below:

Option 1: $\text{FAC} \times \text{total years of service} \times 1.5\%$

Option 2: $\text{FAC} \times 30 \text{ years of service} \times 1.5\% + \text{FAC} \times \text{years of service beyond 30} \times 1.25\%$

Option 3: $\text{FAC} \times \text{years of service as of transition date} \times 1.5\% + \text{FAC} \times \text{years of service after transition date} \times 1.25\%$

Option 4: $\text{FAC as of transition date} \times \text{years of service as of transition date} \times 1.5\%$

A MIP member who became a member of MPSERS prior to July 1, 2010 may retire at:

- age 46 with 30 or more years of credited service; or
- age 60 with 10 or more years of credited service; or
- age 60 with 5 years of credited service provided the member has worked through his or her 60th birthday and has credited service in each of the five school fiscal years immediately preceding the retirement effective date.

A Pension Plus member may retire at age 60 with 10 or more years of credited service.

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A Pension Plus 2 member may retire at age 60 with 10 or more years of credited service. Section 81c(5) of PA 300 as amended requires the regular retirement age to be increased in whole year increments based on the results of mortality analysis five-year actuarial experience studies performed after October 1, 2019 and the actuarial funding status of the plan. If the regular retirement age for Pension Plus 2 members is increased in accordance with this provision, members within five years of retirement from the effective date of the increase are automatically exempted and the retirement board may additionally authorize those between five and eight years of the then current retirement age to be exempted.

A Basic Plan member may retire at:

- age 55 with 30 or more years of service; or
- age 60 with 10 or more years of service.

There is no mandatory retirement age.

Early Retirement

A MIP or Basic member may retire with an early permanently reduced pension:

- after completing at least 15 but less than 30 years of credited service; and
- after attaining age 55; and
- with credited service in each of the 5 school years immediately preceding the pension effective date.

The early pension is computed in the same manner as a regular pension but is permanently reduced 0.5% for each full and partial month between the pension effective date and the date the member will attain age 60.

Deferred Retirement

If a member terminates employment before attaining the age qualification, but after accruing 10 or more years of credited service, the member becomes a deferred member and is eligible for a pension at the time the age qualification is attained.

Non-Duty Disability Benefit

A member with 10 or more years of credited service who becomes totally and permanently disabled due to any non-duty related cause and who has not met the age requirement for a regular pension is eligible for a non-duty disability pension computed in the same manner as an age and service pension, upon recommendation from the member's personal physician and the Retirement Board physician and the approval of the Retirement Board. An Annual Certification of Disability is conducted each January. Upon prior approval, total disability benefits plus authorized outside earnings are limited to 100% of final average compensation (increased by 2% for each year retired; first year 100%, next year 102%, etc.).

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Duty Disability Benefit

A member who becomes totally and permanently disabled as a result of a duty-related cause, who has not met the age and service requirement for a regular pension, and who is in receipt of weekly workers' compensation is eligible for a duty disability pension computed in the same manner as an age and service pension (but based upon a minimum of 10 years of service) upon recommendation from the member's personal physician and the Retirement Board physician and the approval of the Retirement Board. An Annual Certification of Disability is conducted each January. Upon prior approval, total disability benefits plus authorized outside earnings are limited to 100% of final average compensation (increased by 2% for each year retired; first year 100%, next year 102%, etc.).

Pension Payment Options

The election of a pension option is made at the time of application. Once a member has retired, the option choice is irrevocable. The pension effective date is the first of the calendar month following the date the member has satisfied the age and service requirements, has terminated public school employment, and has the completed application forms on file with the System for a period of 15 days. A retroactive pension can be paid for no more than 12 calendar months. Thus, delay in filing the application can result in a loss of some retroactive pension benefits. An applicant may select only one of the following options.

Straight Life Pension – the Straight Life Pension pays the largest level pension a retiree can receive during his or her lifetime and stops with the month of the retiree's death. There are no monthly benefits for a beneficiary. The pension benefit is computed with no beneficiary rights. If the retiree made contributions while an employee and has not received the total accumulated contributions before death, a refund of the balance of the contributions is made to the beneficiary of record. If the retiree did not make any contributions, there will not be payments to any beneficiaries.

Survivor Options - Under the Survivor Options, 100% Survivor Pension, 100% Equated, 75% Survivor Pension, 75% Equated, 50% Survivor Pension and 50% Equated, the reduction is an actuarial determination dependent upon the combined life expectancies of a retiree and a beneficiary and varies from case to case. A beneficiary may only be a spouse, brother, sister, parent, or child (including an adopted child) of a retiring member. If the beneficiary predeceases a retiree, the pension will revert to either the Straight Life or Straight Life Equated amount ("pop-up" provision). If, however, a retiree was single at the time of retirement and subsequently married, the retiree can request to nominate a new spouse if they elected the straight life option at retirement. Also, if a retiree was married at the time of retirement and has since been widowed and remarried, the retiree can request to nominate a new spouse as a pension beneficiary as long as they elected a survivor option for the spouse at the time of retirement.

100% Survivor Pension – pays a reduced pension to a retiree. The month after a retiree's death, the same amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

75% Survivor Pension – pays a reduced pension to a retiree. The month after a retiree's death, 75% of the pension amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

50% Survivor Pension – pays a reduced pension to a retiree. The month after a retiree's death, 50% of the pension amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

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Equated Plan – For MIP and Basic members, the Equated Plan may be combined with the Straight Life, 100% Survivor, 75% Survivor, or 50% Survivor pension by any member under age 61, except a disability applicant. The Equated Plan provides a higher pension every month until age 62, at which time the monthly pension is permanently decreased to a lower amount than the Straight Life, 100%, 75%, or 50% Survivor alone would provide.

The intent of the Equated Plan is for the retiree's pension to decrease at age 62 by approximately the same amount as that person's Social Security benefit will provide. The System pension until age 62 should be about the same as the combined System pension and Social Security after age 62.

The projected Social Security pension the retiring member obtains from the Social Security Administration and furnishes to the System is used in the Equated Plan calculation. The actual Social Security pension may vary from the estimate.

NOTE: The reduction in the pension at age 62 pertains to the Equated Plan only and affects only the retiree. A beneficiary under 100% Equated, 75% Equated or 50% Equated will receive the 100%, 75%, or 50% Survivor amount the month following the retiree's death as if the Equated Plan had not been chosen. A beneficiary does not participate in the Equated Plan.

Survivor Benefit

A non-duty survivor pension is available if a Member Investment Plan (MIP) member has 10 years of credited service or, if age 60 or older, with five years of credited service; the date they became a MIP member does not matter. The Basic Plan provides a survivor pension with 15 years of credited service or, if age 60 or older, with 10 years of credited service. An active member may nominate as a survivor beneficiary a spouse, child(ren) (including adopted child(ren)), brother, sister, or parent. If other than the spouse is nominated and a spouse exists, the spouse must waive this benefit. If no beneficiary has been nominated, the beneficiary is automatically the spouse; or, if there is no spouse, unmarried children under age 18 share the benefit equally until age 18. The benefit is computed as a regular pension but reduced in accordance with an Option 2 (100% survivor pension factor). The pension begins the first of the month following the member's death. In the event of death of a deferred member, the System begins payment to the nominated beneficiary at the time the member would have attained the minimum age qualification.

A duty survivor pension is payable if weekly Workers' Compensation is being paid to the eligible beneficiary due to the member's death. A spouse receives the benefit (based on a minimum of 10 years of service credit) reduced in accordance with a 100% survivor pension factor. If there is no spouse, unmarried children under age 18 share the benefit equally until age 18; if there is no spouse or child(ren), a disabled and dependent parent is eligible.

Postemployment Adjustments

A retiree who became a Member Investment Plan (MIP) member prior to July 1, 2010, receives an annual post-retirement non-compounded increase of 3% of the initial pension in the October following twelve months of retirement. Basic Plan members do not receive an annual post-retirement increase but are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions. Pension Plus members do not receive an annual post-retirement increase.

On January 1, 1990, pre-October 1, 1981 retirees received an increase that ranged from 1% to 22% dependent upon the pension effective date. On October 1, 1990, the base pension of all retirees with an effective pension date of January 1, 1987, or earlier was increased to include all prior post-retirement adjustments.

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On January 1, 1986, all recipients through calendar year 1985 received a permanent 8% increase that established the 1986 base pension. In addition, each October, retirees with a pension effective date of January 1, 1987, or earlier receive a fixed increase equal to 3% of the base pension. Both increases are deducted from the distribution of excess investment income, if any. Beginning in 1983, eligible recipients receive an annual distribution of excess investment income, if any.

Contributions and Funded Status

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal costs are funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2020 valuation will be amortized over a 18-year period beginning October 1, 2020 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for the plan fiscal year 2021.

Pension Contribution Rates:		
Plan Name	Member	District
Basic	0.0 – 4.0 %	19.78%
Member Investment Plan (MIP)	3.0 – 7.0%	19.78%
Pension Plus	3.0 – 6.4 %	16.82%
Pension Plus 2	6.2%	19.59%
Defined Contribution	0.0%	13.39%

The District's contributions to MPSERS under all pension plans for the year ended June 30, 2022, inclusive of the MSPERS UAAL Stabilization, totaled \$16,731,388.

MPSERS Plan Net Pension Liability (in thousands)

Total Pension Liability	\$ 87,569,422
Plan Fiduciary Net Position	<u>63,332,155</u>
Net Pension Liability	<u>\$ 24,237,267</u>
Plan Fiduciary Net Position as a Percentage of	
Total Pension Liability	72.32%
Net Pension Liability as a Percentage of	
Covered Employee Payroll	261.49%
Total Covered Payroll	\$9,269,004

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Proportionate Share of Reporting Unit's Net Pension Liability

At June 30, 2022, the District reported a liability of \$115,948,327 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2020. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the System during the measurement period by the percent of the pension contributions required from all applicable employers during the measurement period. At September 30, 2021, the District's proportion was 0.48974153%, which was an increase from 0.48553440% at September 30, 2020.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the District recognized pension expense of \$12,756,496. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,796,089	\$ 682,798
Changes of assumptions	7,308,968	—
Net difference between projected and actual earnings on pension plan investments	—	37,277,014
Changes in proportion and differences between District contributions and proportionate share of contributions	1,142,129	953,179
District contributions subsequent to the measurement date*	<u>16,281,507</u>	<u>—</u>
Total	<u><u>\$ 26,528,693</u></u>	<u><u>\$ 38,912,991</u></u>

* This amount, reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	Amount
2023	\$ (3,210,310)
2024	(6,570,983)
2025	(8,928,713)
2026	(9,955,799)

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Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2020
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	
MIP and Basic Plans (Non-Hybrid):	6.80% net of investment expenses
Pension Plus Plan (Hybrid):	6.80% net of investment expenses
Pension Plus 2:	6.00% net of investment expenses
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Cost-of-Living Adjustments:	3% annual non-compounded for MIP members
Mortality:	
Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Active Members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Disabled Retirees:	RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Notes:

- Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total pension liability as of September 30, 2021, is based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.4892 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2021 MPSERS Annual Comprehensive Financial Report found on the ORS website at (www.michigan.gov/orsschools).

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Long-Term Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.4%
Private Equity Pools	16.0%	9.1%
International Equity Pools	15.0%	7.5%
Fixed Income Pools	10.5%	(0.7)%
Real Estate and Infrastructure Pools	10.0%	5.4%
Absolute Return Pools	9.0%	2.6%
Real Return/Opportunistic Pools	12.5%	6.1%
Short-term Investment Pools	2.0%	(1.3)%
Total	100.0%	

*Long-term rates of return are net of administrative expenses and 2.0% inflation.

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 27.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease 5.8%/5.8%/5.0%	Current Single Discount Rate Assumption 6.8%/6.8%/6.0%	1% Increase 7.8%/7.8%/7.0%
District's proportionate share of the net pension liability	\$165,774,663	\$115,948,327	\$74,639,027

Michigan Public School Employees' Retirement System (MPERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Michigan Public School Employees' Retirement System September 30, 2021 Annual Comprehensive Financial Report, available here: (www.michigan.gov/orsschools).

Payables to the Michigan Public School Employees' Retirement System (MPERS)

Payables to the pension plan totaling \$2,689,393 at June 30, 2022 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources.

Note I – Other Postemployment Benefits

Plan Description

The Michigan Public School Employees' Retirement System (MPERS or "System") is a cost-sharing, multiple-employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

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Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Retiree Healthcare Reform of 2012

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees' Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions and Funded Status

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

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Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal costs are funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2020 valuation will be amortized over a 18-year period beginning October 1, 2020 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for fiscal year 2021:

OPEB Contribution Rates:

Benefit Structure	Member	District
Premium Subsidy	3.0%	8.43%
Personal Healthcare Fund (PHF)	0.0 %	7.57%

Required contributions to the OPEB plan from the District were \$3,861,559 for the year ended June 30, 2022.

Net OPEB Liability (in thousands)

Total OPEB Liability	\$ 12,225,697
Plan Fiduciary Net Position	<u>10,742,198</u>
Net OPEB Liability	<u>\$ 1,483,499</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	87.87%
Net OPEB Liability as a Percentage of Covered Employee Payroll	16.00%
Total Covered Payroll	\$ 9,269,004

Proportionate Share of Reporting Unit's Net OPEB Liability

At June 30, 2022, the District reported a liability of \$7,503,763 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2020. The District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the System during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2021, the District's proportion was 0.49160586%, which was an increase from 0.48366730% at September 30, 2020.

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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized an OPEB credit of \$4,105,037. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ —	\$ 21,418,957
Changes of assumptions	6,272,774	938,641
Net difference between projected and actual earnings on OPEB plan investments	—	5,655,721
Changes in proportion and differences between District contributions and proportionate share of contributions	812,706	563,169
District contributions subsequent to the measurement date*	<u>3,676,907</u>	<u>—</u>
Total	<u><u>\$ 10,762,387</u></u>	<u><u>\$ 28,576,488</u></u>

* This amount, reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	Amount
2023	\$ (5,576,536)
2024	(5,171,107)
2025	(4,785,913)
2026	(4,340,543)
2027	(1,429,375)
Thereafter	(187,534)

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2020
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	6.95% net of investment expense
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Healthcare Cost Trend Rate:	Pre-65 - 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65 – 5.25% Year 1 graded to 3.50% Year 15; 3.0% Year 120
Mortality:	
Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Active Members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Disabled Retirees:	RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Other Assumptions:	
Opt Out Assumptions:	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage:	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage Election at Retirement:	75% of male and 60% of female future retirees are assumed to elect coverage for one or more dependents.

Notes:

- Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2018 valuation. The total OPEB liability as of September 30, 2021, is based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [5.6018 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2021 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

Long-Term Expected Rate of Return on Investments

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2021, are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.4%
Private Equity Pools	16.0%	9.1%
International Equity Pools	15.0%	7.5%
Fixed Income Pools	10.5%	(0.7)%
Real Estate and Infrastructure Pools	10.0%	5.4%
Absolute Return Pools	9.0%	2.6%
Real Return/Opportunistic Pools	12.5%	6.1%
Short-term Investment Pools	2.0%	(1.3)%
Total	100.0%	

* Long-term rates of return are net of administrative expenses and 2.0% inflation.

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 27.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.95% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.95%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 6.95 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	<u>1% Decrease</u> 5.95%	<u>Current Discount Rate</u> 6.95%	<u>1% Increase</u> 7.95%
District's proportionate share of the net OPEB liability	\$13,943,346	\$7,503,763	\$2,038,857

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Healthcare Cost Trend Rate

The following presents the District's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$1,826,356	\$7,503,763	\$13,891,529

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2021 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

Payables to the OPEB plan totaling \$550,920 at June 30, 2022 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources.

Note J – Risk Management and Benefits

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (worker's compensation), as well as medical benefits provided to employees. The District has purchased commercial insurance for property loss, employee medical benefits, workers' compensation, and errors and omissions.

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

The District is a member of the Michigan School Insurance Programs (MSIP), a self-insurance program with districts pooling together to insure property, liability, and auto exposure. Premiums from members of the MSIP are determined through standard underwriting procedures. The members of the MSIP have contributed amounts sufficient to fund individual and aggregate losses up to \$250,000 and \$1,125,000, respectively, on an annual basis. Excess insurance has been purchased to cover claims exceeding those amounts. A \$1,000 per occurrence deductible for property losses is maintained. The District paid \$346,973 in premiums to the MSIP for the year ended June 30, 2022.

The MSIP also allows for the pooling together of Districts to insure workers' compensation and employers' liability exposures. The MSIP pays the first \$450,000 of any workers' compensation or employers' liability loss out of a \$1,315,781 loss fund collected from members. Excess insurance has been purchased to cover claims exceeding those amounts. As of June 30, 2022, there were no material pending claims against the District. The District paid \$123,022 in premiums to the Fund for the year ended June 30, 2022.

Health, life, and other employee insurance is provided by private insurance carriers. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

There were no significant reductions in insurance coverage in the 2021-22 fiscal year.

Note K – Stewardship, Compliance and Accountability

The following District funds had actual expenditures exceed final budgeted amounts for the year ended June 30, 2022, as follows:

	Budget	Actual	Variance
General Fund			
Instruction:			
Basic programs	\$ 49,322,633	\$ 49,995,167	\$ 672,534
Supporting services:			
Pupil services	4,977,885	5,531,458	553,573
Instructional staff services	3,686,803	4,730,316	1,043,513
General administrative services	692,288	813,281	120,993
Business services	1,609,628	1,761,492	151,864
Pupil transportation services	4,293,316	4,422,496	129,180
Other supporting services	1,462,115	1,845,446	383,331

The District has an unrestricted net position deficit of \$144,475,710 and a total net position deficit of \$123,297,477 as of June 30, 2022. These deficit net positions result primarily from recording a net pension liability of \$128,332,625 (net of deferred outflows and inflows of resources related to the pension plan) and a net OPEB liability of \$25,317,864 (net of deferred outflows and inflows of resources related to the OPEB plan).

ROCKFORD PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2022

Note L – Commitments

On June 26, 2019, the District issued \$48,665,000 of general obligation 2019 Construction bonds whose proceeds are being used for land improvements, building renovations and additions, and furniture and equipment purchases. At June 30, 2022, unspent balances committed to these construction projects totaled \$24,348,768, which are expected to be fully expended by the year ended June 30, 2024.

Note M – New Accounting Pronouncement Adopted

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* was adopted by the District during the fiscal year ending June 30, 2022. This statement enhances the relevance and consistency of information about governments' leasing activities by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District was not required to recognize a right-to-use lease asset or lease liability as of July 1, 2021.

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REQUIRED SUPPLEMENTARY INFORMATION

ROCKFORD PUBLIC SCHOOLS
Required Supplementary Information
Schedule of the District Proportionate Share of the Net Pension Liability
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2022

	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
District's proportion of the net pension liability	0.48974153%	0.48553440%	0.49065397%
District's proportionate share of the net pension liability	\$ 115,948,327	\$ 166,786,348	\$ 162,488,098
District's covered-employee payroll	\$ 44,671,608	\$ 42,977,837	\$ 42,480,969
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	259.56%	388.08%	382.50%
Plan fiduciary net position as a percentage of the total pension liability	72.60%	59.72%	60.31%

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

Note: GASB Statement No 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
0.48985930%	0.48635468%	0.49846335%	0.48283576%	0.47302115%
\$ 147,260,549	\$ 126,035,173	\$ 124,362,527	\$ 117,932,764	\$ 104,190,018
\$ 42,241,261	\$ 39,898,626	\$ 42,356,434	\$ 40,229,246	\$ 40,397,194
348.62%	315.89%	293.61%	293.15%	257.91%
62.36%	63.96%	63.01%	62.92%	66.15%

ROCKFORD PUBLIC SCHOOLS
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability
MPERS Cost-sharing Multiple-employer Plan
June 30, 2022

	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
District's proportion of the net OPEB liability	0.49160586%	0.48366730%	0.48545280%
District's proportionate share of the net OPEB liability	\$ 7,503,763	\$ 25,911,349	\$ 34,844,579
District's covered-employee payroll	\$ 44,671,608	\$ 42,977,837	\$ 42,480,969
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	16.80%	60.29%	82.02%
Plan fiduciary net position as a percentage of the total OPEB liability	87.33%	59.44%	48.46%

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
0.49587331%	0.48646825%
\$ 39,416,730	\$ 43,079,055
\$ 42,241,261	\$ 39,898,626
93.31%	107.97%
42.95%	36.53%

ROCKFORD PUBLIC SCHOOLS
Required Supplementary Information
Schedule of District Pension Contributions
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2022

	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>
Contractually required contribution	\$ 16,731,388	\$ 14,849,284	\$ 13,466,433	\$ 13,155,958
Contributions in relation to the contractually required contribution	<u>16,731,388</u>	<u>14,849,284</u>	<u>13,466,433</u>	<u>13,155,958</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 46,558,764	\$ 44,271,971	\$ 42,962,049	\$ 42,307,755
Contributions as a percentage of covered employee payroll	35.94%	33.54%	31.34%	31.10%

Note: GASB Statement No 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

<u>Year Ended</u> <u>June 30, 2018</u>	<u>Year Ended</u> <u>June 30, 2017</u>	<u>Year Ended</u> <u>June 30, 2016</u>	<u>Year Ended</u> <u>June 30, 2015</u>
\$ 12,493,773	\$ 13,702,535	\$ 12,493,230	\$ 12,675,872
<u>12,493,773</u>	<u>13,702,535</u>	<u>12,493,230</u>	<u>12,675,872</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 42,136,916	\$ 40,944,291	\$ 40,605,013	\$ 40,390,791
29.65%	33.47%	30.77%	31.38%

ROCKFORD PUBLIC SCHOOLS
Required Supplementary Information
Schedule of District OPEB Contributions
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2022

	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
Contractually required contribution	\$ 3,861,559	\$ 3,617,969	\$ 3,442,964
Contributions in relation to the contractually required contribution	<u>3,861,559</u>	<u>3,617,969</u>	<u>3,442,964</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 46,558,764	\$ 44,271,971	\$ 42,962,049
Contributions as a percentage of covered employee payroll	8.29%	8.17%	8.01%

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

<u>Year Ended</u> <u>June 30, 2019</u>	<u>Year Ended</u> <u>June 30, 2018</u>
\$ 3,393,064	\$ 3,123,745
<u>3,393,064</u>	<u>3,123,745</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 42,307,755	\$ 42,136,916
8.02%	7.41%

ROCKFORD PUBLIC SCHOOLS
Notes to Required Supplementary Information
June 30, 2022

Note A – Net Pension Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2021-22.

Changes of assumptions: There were no changes of benefit assumptions in 2021-22.

Note B – Net OPEB Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2021-22.

Changes of assumptions: There were no changes of benefit assumptions in 2021-22.

SUPPLEMENTARY INFORMATION

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GENERAL FUND

To account for resources which are traditionally associated with the general operation of the District and not required to be accounted for in another fund.

ROCKFORD PUBLIC SCHOOLS
General Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash	\$ 1,250	\$ 1,250
Cash equivalents, deposits and investments	9,425,390	11,094,846
Accounts receivable	181,176	81,708
Due from other funds	134,471	120,000
Due from other governmental units	15,203,595	14,265,888
Inventory	17,966	38,300
Prepaid expenditures	12,048	15,124
Total Assets	<u><u>\$ 24,975,896</u></u>	<u><u>\$ 25,617,116</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 977,270	\$ 1,157,038
State aid anticipation loan payable	2,000,000	4,500,000
Due to other funds	121,015	146,336
Due to other governmental units	4,240,450	3,835,388
Payroll withholdings payable	160,024	133,089
Accrued interest payable	2,413	11,250
Salaries payable	3,871,034	3,916,621
Unearned revenue	3,214,437	2,834,864
Total Liabilities	<u>14,586,643</u>	<u>16,534,586</u>
Fund Balances		
Nonspendable	30,014	53,424
Unassigned	10,359,239	9,029,106
Total Fund Balances	<u>10,389,253</u>	<u>9,082,530</u>
Total Liabilities and Fund Balances	<u><u>\$ 24,975,896</u></u>	<u><u>\$ 25,617,116</u></u>

ROCKFORD PUBLIC SCHOOLS
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2022 and 2021

	2022	2021
Local sources:		
Property taxes:		
Operating	\$ 6,078,416	\$ 5,835,734
Recreation	2,014,591	1,943,311
Industrial facilities taxes	750	975
Delinquent and other property taxes	54,868	41,576
Interest on delinquent taxes	<u>5,304</u>	<u>6,136</u>
	8,153,929	7,827,732
Interest earnings:		
Interest on deposits and investments	17,568	6,539
Revenues from student activities:		
Gate fees	232,189	400
Pay to participate	<u>262,597</u>	<u>141,418</u>
	494,786	141,818
Other local revenue:		
Preschool fees	206,286	144,388
Adult/community education fees	434,237	322,699
Transportation fees	33,361	5,397
Child care fees	1,471,019	1,075,138
Third party testing	43,155	39,619
Beverage consortium commissions	9,612	7,060
Sale of school property	77,360	18,500
Pool fees	23,396	29,391
Rental of school facilities	188,979	128,020
Donations	111,147	68,147
Miscellaneous	<u>1,074,286</u>	<u>702,385</u>
	3,672,838	2,540,744
Total local sources	12,339,121	10,516,833
State sources:		
State school aid	73,805,762	68,873,205
Early literacy coaches	50,700	51,050
Special education - transportation	630,714	450,020
Special education - itinerants	246,844	234,615
Special education - millage incentive	246,791	-
Payment in lieu of taxes	21,350	20,321
Great Start Readiness site reimbursement	16,170	14,080
Adult continuing education	54,116	-
Virtual learning support grant	3,752	-
Bus driver safety grant	<u>1,590</u>	<u>-</u>
Total state sources	75,077,789	69,643,291
Federal sources:		
Title I	221,629	229,555
Title IIA	230,795	64,569
Title III	11,195	2,825
Title IV	23,707	10,196
CARES funding	1,775,978	3,312,666
I.D.E.A. program	1,550,444	1,310,408
Adult education	22,848	22,500
Medicaid - Outreach	29,922	14,496
Health resource advocate funding	<u>115,551</u>	<u>-</u>
Total federal sources	3,982,069	4,967,215

(Continued)

ROCKFORD PUBLIC SCHOOLS
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Interdistrict sources:		
County enhancement millage	\$ 2,037,871	\$ 1,976,964
Special education - county	4,285,178	4,039,077
Special education - tuition	70,157	198,894
Medicaid fee for service	549,427	326,899
Adult continuing education	-	55,518
Bus driver safety	-	5,517
Foreign exchange program	61,120	12,000
Total interdistrict sources	<u>7,003,753</u>	<u>6,614,869</u>
Total Revenues	<u><u>\$ 98,402,732</u></u>	<u><u>\$ 91,742,208</u></u>

ROCKFORD PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	\$ 12,634,692	\$ 11,555,861
Employee benefits	9,768,283	8,485,386
Purchased services	434,669	195,446
Supplies	176,797	72,382
Capital outlay	834	15
	<u>23,015,275</u>	<u>20,309,090</u>
Middle school:		
Salaries	5,900,609	5,776,744
Employee benefits	4,571,459	4,235,628
Purchased services	160,275	75,463
Supplies	144,752	134,202
Capital outlay	105,331	-
	<u>10,882,426</u>	<u>10,222,037</u>
High school:		
Salaries	8,141,995	8,990,035
Employee benefits	6,639,445	6,454,073
Purchased services	380,558	304,171
Supplies	266,081	82,883
Capital outlay	1,627	9,214
Miscellaneous	12,130	1,842
	<u>15,441,836</u>	<u>15,842,218</u>
Preschool:		
Salaries	130,629	88,307
Employee benefits	67,618	46,464
Purchased services	293	204
Supplies	2,816	1,882
	<u>201,356</u>	<u>136,857</u>
Summer school:		
Salaries	300,129	26,791
Employee benefits	136,372	13,492
Purchased services	6,925	3,240
Supplies	10,848	180,993
	<u>454,274</u>	<u>224,516</u>
Total basic programs	<u>49,995,167</u>	<u>46,734,718</u>
Added needs:		
Special education:		
Salaries	3,427,735	3,044,160
Employee benefits	2,480,248	2,252,387
Purchased services	38,972	58,272
Supplies	108,823	16,441
Capital outlay	3,008	1,782
Payments to other districts	410,054	651,959
	<u>6,468,840</u>	<u>6,025,001</u>

(Continued)

ROCKFORD PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Compensatory education:		
Salaries	\$ 589,708	\$ 615,909
Employee benefits	339,871	344,205
Purchased services	10,721	61,658
Supplies	30,861	52,486
Miscellaneous	-	498
	971,161	1,074,756
Vocational education:		
Salaries	200,202	161,076
Employee benefits	146,414	130,700
Purchased services	1,071	666
Supplies	1	-
	347,688	292,442
Total added needs	7,787,689	7,392,199
Adult education services:		
Basic:		
Salaries	162,558	146,308
Employee benefits	90,775	95,685
Supplies	14,428	113
Total adult education services	267,761	242,106
Total instruction	58,050,617	54,369,023
Supporting services:		
Pupil services:		
Guidance services:		
Salaries	941,275	865,056
Employee benefits	676,299	630,878
Purchased services	6,684	6,126
Supplies	64,205	64,722
Capital outlay	-	60
	1,688,463	1,566,842
Occupational therapist services:		
Salaries	123,226	104,772
Employee benefits	66,596	53,748
Purchased services	28,973	3,519
Supplies	6,444	607
Capital outlay	868	60
Payments to other districts	338,238	314,149
Miscellaneous	308	-
	564,653	476,855
Psychological services:		
Purchased services	155	97
Supplies	6,196	6,180
Payments to other districts	440,328	489,331
	446,679	495,608

(Continued)

ROCKFORD PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Speech pathology services:		
Salaries	\$ -	\$ 28,169
Employee benefits	236	14,820
Purchased services	182	228
Supplies	1,917	2,150
Payments to other districts	910,858	726,702
	<u>913,193</u>	<u>772,069</u>
Social worker services:		
Salaries	30,012	49,726
Employee benefits	15,852	30,739
Purchased services	78	631
Supplies	1,377	1,728
Payments to other districts	1,115,328	904,230
	<u>1,162,647</u>	<u>987,054</u>
Teacher consultant services:		
Salaries	16,049	42,809
Employee benefits	7,022	9,406
Supplies	214	793
Payments to other districts	453,223	340,364
	<u>476,508</u>	<u>393,372</u>
Other pupil services:		
Salaries	156,438	74,217
Employee benefits	122,877	62,807
	<u>279,315</u>	<u>137,024</u>
Total pupil services	5,531,458	4,828,824
Instructional staff services:		
Improvement of instruction:		
Salaries	363,268	257,180
Employee benefits	256,205	170,942
Purchased services	613,641	97,465
Supplies	1,175,405	223,859
Miscellaneous	330	15,635
	<u>2,408,849</u>	<u>765,081</u>
Library:		
Salaries	516,343	462,134
Employee benefits	335,267	297,318
Purchased services	-	813
Supplies	126,576	89,608
Capital outlay	352	-
	<u>978,538</u>	<u>849,873</u>
Educational television:		
Purchased services	8,410	1,325
Instructional technology:		
Salaries	513,469	403,634
Employee benefits	355,813	274,902
Purchased services	380	240
Supplies	5,565	320
	<u>875,227</u>	<u>679,096</u>

(Continued)

ROCKFORD PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Supervision and direction of instruction:		
Salaries	\$ 234,316	\$ 216,665
Employee benefits	154,730	137,162
Purchased services	15,113	17,271
Supplies	54,371	12,931
Capital outlay	552	-
Miscellaneous	210	-
	<u>459,292</u>	<u>384,029</u>
Total instructional staff services	4,730,316	2,679,404
General administrative services:		
Board of education:		
Purchased services	276,312	167,525
Supplies	11,760	6,496
Miscellaneous	10,669	11,561
	<u>298,741</u>	<u>185,582</u>
Executive administration:		
Salaries	346,164	374,201
Employee benefits	140,119	181,512
Purchased services	17,353	25,622
Supplies	3,806	4,979
Miscellaneous	6,949	4,115
Capital outlay	149	-
	<u>514,540</u>	<u>590,429</u>
Total general administrative services	813,281	776,011
School administrative services:		
Office of the principal:		
Salaries	3,054,869	2,961,685
Employee benefits	2,269,993	2,163,450
Purchased services	11,105	6,993
Supplies	33,689	24,182
Capital outlay	21	1,198
Miscellaneous	6,493	2,980
	<u>5,376,170</u>	<u>5,160,488</u>
Total school administrative services		
Business services:		
Fiscal services:		
Salaries	636,949	577,670
Employee benefits	570,161	504,206
Purchased services	76,752	66,111
Supplies	91,029	74,738
Capital outlay	-	94
Miscellaneous	1,051	390
	<u>1,375,942</u>	<u>1,223,209</u>
Internal services:		
Salaries	37,186	35,021
Employee benefits	34,755	32,870
Purchased services	91,108	94,329
Supplies	52,811	56,833
	<u>215,860</u>	<u>219,053</u>

(Continued)

ROCKFORD PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Other business services:		
Miscellaneous	\$ 169,690	\$ 131,474
Total business services	1,761,492	1,573,736
Operation and maintenance services:		
Operation and maintenance:		
Salaries	2,226,466	2,275,983
Employee benefits	1,746,850	1,731,162
Purchased services	1,673,606	1,404,479
Supplies	2,371,072	3,985,497
Capital outlay	36,841	45,852
Miscellaneous	2,300	3,559
	8,057,135	9,446,532
Security services:		
Salaries	344,270	288,711
Employee benefits	246,662	220,268
Purchased services	102,279	111,764
Capital outlay	100	-
	693,311	620,743
Total operation and maintenance services	8,750,446	10,067,275
Pupil transportation services:		
Pupil transportation:		
Salaries	1,623,869	1,413,452
Employee benefits	1,123,321	1,012,634
Purchased services	220,219	156,495
Supplies	645,465	374,236
Capital outlay	35,725	4,829
Miscellaneous	1,427	1,661
Payments to other districts	772,470	798,118
Total pupil transportation services	4,422,496	3,761,425
Central services:		
Personnel services:		
Salaries	282,541	297,660
Employee benefits	267,063	275,637
Purchased services	235,092	55,730
Supplies	18,976	29,538
Capital outlay	4,950	-
Miscellaneous	6,491	12,399
	815,113	670,964
Operational technology services:		
Salaries	637,230	620,876
Employee benefits	453,164	439,918
Purchased services	578,377	657,216
Supplies	25,149	26,366
Capital outlay	21,887	-
Miscellaneous	11,388	1,105
	1,727,195	1,745,481
Total central services	2,542,308	2,416,445

(Continued)

ROCKFORD PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Other supporting services:		
Athletics:		
Salaries	\$ 906,369	\$ 817,133
Employee benefits	501,721	454,151
Purchased services	235,036	159,973
Supplies	124,698	103,177
Capital outlay	22,148	57,578
Miscellaneous	55,474	15,641
Total other supporting services	<u>1,845,446</u>	<u>1,607,653</u>
Total supporting services	35,773,413	32,871,261
Community services:		
Community education, pool and CDL testing:		
Salaries	162,961	166,718
Employee benefits	78,728	99,475
Purchased services	2,146	2,350
Supplies	4,506	174
	<u>248,341</u>	<u>268,717</u>
Leisure time activities:		
Salaries	571,260	426,926
Employee benefits	390,769	299,561
Purchased services	148,355	76,232
Supplies	75,268	76,534
Miscellaneous	19,086	5,349
	<u>1,204,738</u>	<u>884,602</u>
Custody and care of children:		
Salaries	1,086,988	1,031,398
Employee benefits	541,021	514,086
Purchased services	125,752	87,588
Supplies	34,371	20,238
Capital outlay	7,986	5,573
Miscellaneous	300	-
	<u>1,796,418</u>	<u>1,658,883</u>
Non-Public School Pupils:		
Salaries	5,140	-
Employee benefits	2,686	-
Purchased services	10,103	-
Supplies	4,053	-
	<u>21,982</u>	<u>-</u>
Total community services	<u>3,271,479</u>	<u>2,812,202</u>
Debt service:		
Principal repayment	-	105,000
Interest and fiscal charges	-	4,673
Total debt service	<u>-</u>	<u>109,673</u>
Total Expenditures	<u><u>\$ 97,095,509</u></u>	<u><u>\$ 90,162,159</u></u>

NONMAJOR GOVERNMENTAL FUNDS

ROCKFORD PUBLIC SCHOOLS
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

		Special Revenue		Debt Service
	Food	Public Purpose	Student/School	
	Service	Trust	Activity	2014
Assets				
Cash	\$ 1,500	\$ -	\$ -	\$ -
Cash equivalents, deposits and investments	1,368,742	471,833	886,306	245,063
Due from other funds	51,227	-	69,788	-
Inventory	38,327	-	-	-
Prepaid expenditures	3,275	-	-	-
Total Assets	\$ 1,463,071	\$ 471,833	\$ 956,094	\$ 245,063
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 21,657	\$ -	\$ -	\$ -
Due to other funds	134,451	-	20	-
Payroll withholdings payable	9,246	-	-	-
Total Liabilities	165,354	-	20	-
Fund Balances				
Nonspendable	41,602	-	-	-
Restricted	1,256,115	471,833	956,074	245,063
Total Fund Balances	1,297,717	471,833	956,074	245,063
Total Liabilities and Fund Balances	\$ 1,463,071	\$ 471,833	\$ 956,094	\$ 245,063

Debt Service			Capital Projects		Total
2015	2016	2019	2016 Construction	Building and Site Sinking	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500
378,854	576,349	523,798	-	2,246,206	6,697,151
-	-	-	-	-	121,015
-	-	-	-	-	38,327
-	-	-	-	-	3,275
<u>\$ 378,854</u>	<u>\$ 576,349</u>	<u>\$ 523,798</u>	<u>\$ -</u>	<u>\$ 2,246,206</u>	<u>\$ 6,861,268</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,657
-	-	-	-	-	134,471
-	-	-	-	-	9,246
-	-	-	-	-	165,374
-	-	-	-	-	41,602
<u>378,854</u>	<u>576,349</u>	<u>523,798</u>	<u>-</u>	<u>2,246,206</u>	<u>6,654,292</u>
<u>378,854</u>	<u>576,349</u>	<u>523,798</u>	<u>-</u>	<u>2,246,206</u>	<u>6,695,894</u>
<u>\$ 378,854</u>	<u>\$ 576,349</u>	<u>\$ 523,798</u>	<u>\$ -</u>	<u>\$ 2,246,206</u>	<u>\$ 6,861,268</u>

ROCKFORD PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the year ended June 30, 2022

	Food Service	Special Revenue Public Purpose Trust	Student/School Activity	Debt Service 2014
Revenues				
Local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ 2,721,994
Interest earnings	2,136	914	-	1,542
Food sales	644,781	-	-	-
Other local sources	-	64,599	1,307,716	-
	<u>646,917</u>	<u>65,513</u>	<u>1,307,716</u>	<u>2,723,536</u>
Total local sources				
	646,917	65,513	1,307,716	2,723,536
State sources	228,785	-	-	34,290
Federal sources	3,456,451	-	-	-
	<u>4,332,153</u>	<u>65,513</u>	<u>1,307,716</u>	<u>2,757,826</u>
Total Revenues				
	<u>4,332,153</u>	<u>65,513</u>	<u>1,307,716</u>	<u>2,757,826</u>
Expenditures				
Current:				
Supporting services	-	63,250	1,068,280	-
Food service	3,422,445	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal repayment	-	-	-	1,444,389
Interest and fiscal charges	-	-	-	1,326,130
	<u>3,422,445</u>	<u>63,250</u>	<u>1,068,280</u>	<u>2,770,519</u>
Total Expenditures				
	<u>3,422,445</u>	<u>63,250</u>	<u>1,068,280</u>	<u>2,770,519</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>909,708</u>	<u>2,263</u>	<u>239,436</u>	<u>(12,693)</u>
Other Financing Sources (Uses)				
Proceeds from refinancing debt	-	-	-	4,340,000
Transfers in	-	-	500	2,755,000
Transfers out	-	-	-	-
Payment to bond escrow agent	-	-	-	(7,245,611)
	<u>-</u>	<u>-</u>	<u>500</u>	<u>(150,611)</u>
Total Other Financing Sources (Uses)				
	<u>-</u>	<u>-</u>	<u>500</u>	<u>(150,611)</u>
Net Change in Fund Balances	<u>909,708</u>	<u>2,263</u>	<u>239,936</u>	<u>(163,304)</u>
Fund Balances, Beginning of Year, as restated (Note M)	<u>388,009</u>	<u>469,570</u>	<u>716,138</u>	<u>408,367</u>
Fund Balances, End of Year	<u>\$ 1,297,717</u>	<u>\$ 471,833</u>	<u>\$ 956,074</u>	<u>\$ 245,063</u>

Debt Service			Capital Projects		Total
2015	2016	2019	2016 Construction	Building and Site Sinking	
\$ 2,721,866	\$ 3,506,009	\$ 6,291,589	\$ -	\$ 1,058,652	\$ 16,300,110
2,311	3,323	4,246	1	4,284	18,757
-	-	-	-	-	644,781
-	-	-	119,296	-	1,491,611
2,724,177	3,509,332	6,295,835	119,297	1,062,936	18,455,259
34,290	44,166	79,280	-	-	420,811
-	-	-	-	-	3,456,451
2,758,467	3,553,498	6,375,115	119,297	1,062,936	22,332,521
-	-	-	-	-	1,131,530
-	-	-	-	-	3,422,445
-	-	-	-	364,517	364,517
2,115,000	455,000	5,050,000	-	-	9,064,389
604,331	2,737,121	1,831,122	-	-	6,498,704
2,719,331	3,192,121	6,881,122	-	364,517	20,481,585
39,136	361,377	(506,007)	119,297	698,419	1,850,936
-	-	-	-	-	4,340,000
-	-	-	-	-	2,755,500
(500,000)	(1,255,000)	(1,000,000)	(119,297)	-	(2,874,297)
-	-	-	-	-	(7,245,611)
(500,000)	(1,255,000)	(1,000,000)	(119,297)	-	(3,024,408)
(460,864)	(893,623)	(1,506,007)	-	698,419	(1,173,472)
839,718	1,469,972	2,029,805	-	1,547,787	7,869,366
\$ 378,854	\$ 576,349	\$ 523,798	\$ -	\$ 2,246,206	\$ 6,695,894

ROCKFORD PUBLIC SCHOOLS
Food Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	\$ 571,798	\$ 646,917	\$ 75,119
State sources	187,074	228,785	41,711
Federal sources	<u>3,395,337</u>	<u>3,456,451</u>	<u>61,114</u>
Total Revenues	<u>4,154,209</u>	<u>4,332,153</u>	<u>177,944</u>
Expenditures			
Food service	<u>3,086,914</u>	<u>3,422,445</u>	<u>(335,531)</u>
Net Change in Fund Balances	1,067,295	909,708	(157,587)
Fund Balances, Beginning of Year	<u>388,009</u>	<u>388,009</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 1,455,304</u></u>	<u><u>\$ 1,297,717</u></u>	<u><u>\$ (157,587)</u></u>

ROCKFORD PUBLIC SCHOOLS
Public Purpose Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	<u>\$ 53,300</u>	<u>\$ 65,513</u>	<u>\$ 12,213</u>
Expenditures			
Other supporting service	<u>54,000</u>	<u>63,250</u>	<u>(9,250)</u>
Net Change in Fund Balances	(700)	2,263	2,963
Fund Balances, Beginning of Year	<u>469,570</u>	<u>469,570</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 468,870</u></u>	<u><u>\$ 471,833</u></u>	<u><u>\$ 2,963</u></u>

ROCKFORD PUBLIC SCHOOLS
Student/School Activity Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	<u>\$ 1,205,186</u>	<u>\$ 1,307,716</u>	<u>\$ 102,530</u>
Expenditures			
Other supporting service	<u>1,040,059</u>	<u>1,068,280</u>	<u>(28,221)</u>
Excess of Revenues Over Expenditures	<u>165,127</u>	<u>239,436</u>	<u>74,309</u>
Other Financing Sources (Uses)			
Transfers in	<u>-</u>	<u>500</u>	<u>500</u>
Net Change in Fund Balances	<u>165,127</u>	<u>239,936</u>	<u>74,809</u>
Fund Balances, Beginning of Year	<u>716,138</u>	<u>716,138</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 881,265</u></u>	<u><u>\$ 956,074</u></u>	<u><u>\$ 74,809</u></u>

SPECIAL REVENUE FUNDS

Food Service—to account for monies received from food service activities and federal subsidies for use in administering the hot lunch program of the District.

Public Purpose Trust – to account for monies held for the benefit of the District’s students.

Student/School Activity – to account for the collection and disbursements of monies used by the school activity clubs and groups.

ROCKFORD PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash	\$ 1,500	\$ 1,500
Cash equivalents, deposits and investments	1,368,742	366,780
Accounts receivable	-	2,615
Due from other funds	51,227	112,523
Inventory	38,327	48,323
Prepaid expenditures	<u>3,275</u>	<u>-</u>
Total Assets	<u><u>\$ 1,463,071</u></u>	<u><u>\$ 531,741</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 21,657	\$ 10,514
Due to other funds	134,451	120,000
Payroll withholdings payable	<u>9,246</u>	<u>13,218</u>
Total Liabilities	<u>165,354</u>	<u>143,732</u>
Fund Balances		
Nonspendable	41,602	48,323
Restricted	<u>1,256,115</u>	<u>339,686</u>
Total Fund Balances	<u>1,297,717</u>	<u>388,009</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,463,071</u></u>	<u><u>\$ 531,741</u></u>

ROCKFORD PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues		
Local sources:		
Interest earnings:		
Interest on deposits and investments	\$ 2,136	\$ 75
Sales and admissions:		
Children's lunches	-	(1,144)
Adult lunches	14,091	9,750
Ala carte	449,361	215,602
Catering	<u>181,329</u>	<u>117,901</u>
Total sales and admissions	644,781	342,109
Other local sources:		
Donations	<u>-</u>	<u>6</u>
Total local sources	646,917	342,190
State sources	228,785	208,094
Federal sources	<u>3,456,451</u>	<u>2,430,973</u>
Total Revenues	<u>4,332,153</u>	<u>2,981,257</u>
Expenditures		
Food service:		
Salaries	789,479	715,737
Employee benefits	653,706	632,725
Purchased services	147,719	149,127
Supplies	1,722,249	1,248,582
Capital outlay	104,318	5,759
Miscellaneous	<u>4,974</u>	<u>11,641</u>
Total Expenditures	<u>3,422,445</u>	<u>2,763,571</u>
Net Change in Fund Balances	909,708	217,686
Fund Balances, Beginning of Year	<u>388,009</u>	<u>170,323</u>
Fund Balances, End of Year	<u><u>\$ 1,297,717</u></u>	<u><u>\$ 388,009</u></u>

ROCKFORD PUBLIC SCHOOLS
Public Purpose Trust Special Revenue Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash equivalents, deposits and investments	<u>\$ 471,833</u>	<u>\$ 469,570</u>
Liabilities and Fund Balance		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balance		
Restricted	<u>471,833</u>	<u>469,570</u>
Total Liabilities and Fund Balance	<u>\$ 471,833</u>	<u>\$ 469,570</u>

ROCKFORD PUBLIC SCHOOLS
Public Purpose Trust Special Revenue Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues		
Local sources:		
Interest earnings:		
Interest on deposits and investments	\$ 914	\$ 370
Other local sources:		
Donations	<u>64,599</u>	<u>56,504</u>
Total local sources	<u>65,513</u>	<u>56,874</u>
Total Revenues	<u>65,513</u>	<u>56,874</u>
Expenditures		
Current:		
Other supporting service	<u>63,250</u>	<u>56,030</u>
Net Change in Fund Balance	2,263	844
Fund Balance, Beginning of Year	<u>469,570</u>	<u>468,726</u>
Fund Balance, End of Year	<u><u>\$ 471,833</u></u>	<u><u>\$ 469,570</u></u>

ROCKFORD PUBLIC SCHOOLS
Student/School Activity Special Revenue Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash equivalents, deposits and investments	\$ 886,306	\$ 682,325
Due from other funds	<u>69,788</u>	<u>33,813</u>
Total Assets	<u><u>\$ 956,094</u></u>	<u><u>\$ 716,138</u></u>
Liabilities and Fund Balance		
Liabilities		
Due to other funds	<u>\$ 20</u>	<u>\$ -</u>
Fund Balance		
Restricted	<u>956,074</u>	<u>716,138</u>
Total Liabilities and Fund Balance	<u><u>\$ 956,094</u></u>	<u><u>\$ 716,138</u></u>

ROCKFORD PUBLIC SCHOOLS
Student/School Activity Special Revenue Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues		
Local sources:		
Admissions	\$ 317,736	\$ 12,131
Merchandise sales	226,785	47,295
Donations	618,669	286,944
Other local sources	<u>144,526</u>	<u>100,787</u>
Total local sources	<u>1,307,716</u>	<u>447,157</u>
Total Revenues	<u>1,307,716</u>	<u>447,157</u>
Expenditures		
Current:		
Other student/school activity	<u>1,068,280</u>	<u>530,851</u>
Excess (Deficiency) of Revenues		
Expenditures	<u>239,436</u>	<u>(83,694)</u>
Other Financing Sources (Uses)		
Transfers in	<u>500</u>	<u>-</u>
Net Change in Fund Balance	239,936	(83,694)
Fund Balance, Beginning of Year	<u>716,138</u>	<u>799,832</u>
Fund Balance, End of Year	<u>\$ 956,074</u>	<u>\$ 716,138</u>

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DEBT SERVICE FUNDS

To accumulate property tax revenues and interest earnings for repayment of the bond issues of the District used to finance new building construction projects.

ROCKFORD PUBLIC SCHOOLS
Debt Service Funds
Combining Balance Sheet
June 30, 2022 (with comparative totals as of June 30, 2021)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assets			
Cash equivalents, deposits and investments	<u>\$ 245,063</u>	<u>\$ 378,854</u>	<u>\$ 576,349</u>
Liabilities and Fund Balances			
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances			
Restricted	<u>245,063</u>	<u>378,854</u>	<u>576,349</u>
Total Liabilities and Fund Balances	<u>\$ 245,063</u>	<u>\$ 378,854</u>	<u>\$ 576,349</u>

	Totals	
2019	2022	2021
<u>\$ 523,798</u>	<u>\$ 1,724,064</u>	<u>\$ 4,747,862</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>523,798</u>	<u>1,724,064</u>	<u>4,747,862</u>
<u>\$ 523,798</u>	<u>\$ 1,724,064</u>	<u>\$ 4,747,862</u>

ROCKFORD PUBLIC SCHOOLS
Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2022 (with comparative totals for the year end June 30, 2021)

	2014	2015	2016
Revenues			
Local sources:			
Property taxes:			
Current property taxes	\$ 2,718,227	\$ 2,717,617	\$ 3,500,771
Industrial facilities taxes	1,010	1,010	1,301
Delinquent and other property taxes	939	1,502	1,604
Interest on delinquent taxes	<u>1,818</u>	<u>1,737</u>	<u>2,333</u>
	2,721,994	2,721,866	3,506,009
Interest earnings:			
Interest on deposits and investments	<u>1,542</u>	<u>2,311</u>	<u>3,323</u>
Total local sources	2,723,536	2,724,177	3,509,332
State sources	<u>34,290</u>	<u>34,290</u>	<u>44,166</u>
Total Revenues	<u>2,757,826</u>	<u>2,758,467</u>	<u>3,553,498</u>
Expenditures			
Debt service:			
Principal repayment	1,444,389	2,115,000	455,000
Interest and fiscal charges:			
Interest expense	1,325,000	603,000	2,735,550
Paying agent fees	300	500	500
Tax refunds	<u>830</u>	<u>831</u>	<u>1,071</u>
Total Expenditures	<u>2,770,519</u>	<u>2,719,331</u>	<u>3,192,121</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,693)</u>	<u>39,136</u>	<u>361,377</u>
Other Financing Sources (Uses)			
Proceeds from refinancing debt	4,340,000	-	-
Transfers in	2,755,000	-	-
Transfers out	-	(500,000)	(1,255,000)
Payment to bond escrow agent	<u>(7,245,611)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(150,611)</u>	<u>(500,000)</u>	<u>(1,255,000)</u>
Net Change in Fund Balances	(163,304)	(460,864)	(893,623)
Fund Balances, Beginning of Year	<u>408,367</u>	<u>839,718</u>	<u>1,469,972</u>
Fund Balances, End of Year	<u><u>\$ 245,063</u></u>	<u><u>\$ 378,854</u></u>	<u><u>\$ 576,349</u></u>

2019	Totals	
	2022	2021
\$ 6,283,920	\$ 15,220,535	\$ 14,583,208
2,336	5,657	7,261
1,894	5,939	6,897
<u>3,439</u>	<u>9,327</u>	<u>10,208</u>
6,291,589	15,241,458	14,607,574
<u>4,246</u>	<u>11,422</u>	<u>5,725</u>
6,295,835	15,252,880	14,613,299
<u>79,280</u>	<u>192,026</u>	<u>182,250</u>
<u>6,375,115</u>	<u>15,444,906</u>	<u>14,795,549</u>
5,050,000	9,064,389	8,115,000
1,828,700	6,492,250	6,851,652
500	1,800	1,800
<u>1,922</u>	<u>4,654</u>	<u>2,509</u>
<u>6,881,122</u>	<u>15,563,093</u>	<u>14,970,961</u>
<u>(506,007)</u>	<u>(118,187)</u>	<u>(175,412)</u>
-	4,340,000	-
-	2,755,000	-
(1,000,000)	(2,755,000)	-
<u>-</u>	<u>(7,245,611)</u>	<u>-</u>
<u>(1,000,000)</u>	<u>(2,905,611)</u>	<u>-</u>
(1,506,007)	(3,023,798)	(175,412)
<u>2,029,805</u>	<u>4,747,862</u>	<u>4,923,274</u>
<u>\$ 523,798</u>	<u>\$ 1,724,064</u>	<u>\$ 4,747,862</u>

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CAPITAL PROJECTS FUNDS

2016 Construction—to account for bond proceeds used to finance land improvements, building construction and renovation projects and furniture and equipment purchases.

2019 Construction—to account for bond proceeds used to finance land improvements, building construction and renovation projects and furniture and equipment purchases.

Building and Site—to account for property tax revenue and interest earnings used to finance building improvement projects.

ROCKFORD PUBLIC SCHOOLS
2016 Construction Capital Projects Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Accounts receivable	<u>\$ -</u>	<u>\$ 48,379</u>
Liabilities and Fund Balance		
Liabilities		
Due to other funds	<u>\$ -</u>	<u>\$ 48,379</u>
Fund Balance		
Restricted	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ 48,379</u></u>

ROCKFORD PUBLIC SCHOOLS
2016 Construction Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues		
Local sources:		
Interest on deposits and investments	\$ 1	\$ 1,372
Miscellaneous	<u>119,296</u>	<u>167,709</u>
Total Revenues	<u>119,297</u>	<u>169,081</u>
Expenditures		
Current:		
Capital outlay:		
Site improvement	-	6,138
Architect and engineering fees	-	139,481
Building improvement	-	2,024,118
Other facilities and acquisition	<u>-</u>	<u>808,107</u>
Total Expenditures	<u>-</u>	<u>2,977,844</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>119,297</u>	<u>(2,808,763)</u>
Other Financing Uses		
Transfers out	<u>(119,297)</u>	<u>-</u>
Net Change in Fund Balance	-	(2,808,763)
Fund Balance, Beginning of Year	<u>-</u>	<u>2,808,763</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ROCKFORD PUBLIC SCHOOLS
2019 Construction Capital Projects Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash equivalents, deposits and investments	\$ 27,318,037	\$ 38,003,350
Due from other funds	<u>-</u>	<u>507,811</u>
Total Assets	<u><u>\$ 27,318,037</u></u>	<u><u>\$ 38,511,161</u></u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	<u>\$ 2,969,269</u>	<u>\$ 1,069,435</u>
Fund Balance		
Restricted	<u>24,348,768</u>	<u>37,441,726</u>
Total Liabilities and Fund Balance	<u><u>\$ 27,318,037</u></u>	<u><u>\$ 38,511,161</u></u>

ROCKFORD PUBLIC SCHOOLS
2019 Construction Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues		
Local sources:		
Interest on deposits and investments	\$ 60,506	\$ 40,689
Other local sources	<u>45,809</u>	<u>-</u>
Total Revenues	<u>106,315</u>	<u>40,689</u>
Expenditures		
Current:		
Supporting:		
Pupil transportation	658,742	638,925
Operations and maintenance	34,120	7,762
Capital Outlay:		
Site improvement	38,000	4,130
Architecture and engineering services	352,420	616,307
Building improvement	8,272,453	7,282,915
Other facilities and acquisition	<u>3,962,835</u>	<u>4,032,505</u>
Total Expenditures	<u>13,318,570</u>	<u>12,582,544</u>
Deficiency of Revenues Over Expenditures	(13,212,255)	(12,541,855)
Other Financing Sources		
Transfers in	<u>119,297</u>	<u>-</u>
Net Change in Fund Balance	(13,092,958)	(12,541,855)
Fund Balance, Beginning of Year	<u>37,441,726</u>	<u>49,983,581</u>
Fund Balance, End of Year	<u><u>\$ 24,348,768</u></u>	<u><u>\$ 37,441,726</u></u>

ROCKFORD PUBLIC SCHOOLS
Building and Site Sinking Capital Projects Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash equivalents, deposits and investments	<u>\$ 2,246,206</u>	<u>\$ 2,007,219</u>
Liabilities and Fund Balance		
Liabilities		
Due to other funds	<u>\$ -</u>	<u>\$ 459,432</u>
Fund Balance		
Restricted	<u>2,246,206</u>	<u>1,547,787</u>
Total Liabilities and Fund Balance	<u>\$ 2,246,206</u>	<u>\$ 2,007,219</u>

ROCKFORD PUBLIC SCHOOLS
Building and Site Sinking Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues		
Local sources:		
Property taxes	\$ 1,058,652	\$ 1,021,383
Interest on deposits and investments	<u>4,284</u>	<u>1,024</u>
Total Revenues	<u>1,062,936</u>	<u>1,022,407</u>
Expenditures		
Capital outlay:		
Building improvement	361,844	84,368
Professional and technical services	2,350	-
Other facilities and acquisition	<u>323</u>	<u>375,125</u>
Total Expenditures	<u>364,517</u>	<u>459,493</u>
Net Change in Fund Balance	698,419	562,914
Fund Balance, Beginning of Year	<u>1,547,787</u>	<u>984,873</u>
Fund Balance, End of Year	<u><u>\$ 2,246,206</u></u>	<u><u>\$ 1,547,787</u></u>

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OTHER INFORMATION

ROCKFORD PUBLIC SCHOOLS
Summary of 2021 Taxes Levied and Collected
For the year ended June 30, 2022

	County of Kent			
	City of			Townships
	Rockford	Algoma	Cannon	Courtland
Taxable Valuations				
Operating	\$ 80,434,052	\$ 60,947,794	\$ 77,564,639	\$ 23,680,921
Recreation/Debt Service	267,123,095	272,459,714	767,375,050	276,880,423
Rates (Mills)				
General Fund - Operating				
General Fund - Recreation				
2014 Debt Service Fund				
2015 Debt Service Fund				
2016 Debt Service Fund				
2019 Debt Service Fund				
Building and Site Sinking Fund				
Taxes Levied 2021 Rolls				
General Fund - Operating	\$ 1,402,684	\$ 1,076,440	\$ 1,347,607	\$ 408,830
General Fund - Recreation	247,861	252,509	711,655	256,954
2014 Debt Service Fund	334,023	340,039	958,348	346,029
2015 Debt Service Fund	334,023	340,039	958,348	346,029
2016 Debt Service Fund	430,221	437,971	1,234,353	445,685
2019 Debt Service Fund	772,260	786,171	2,215,702	800,018
Sinking Fund	129,551	132,652	373,854	134,985
	3,650,623	3,365,822	7,799,868	2,738,529
Taxes Uncollected 2021 Rolls				
General Fund - Operating	543	464	-	-
General Fund - Recreation	99	83	-	-
2014 Debt Service Fund	134	112	-	-
2015 Debt Service Fund	134	112	-	-
2016 Debt Service Fund	172	144	-	-
2019 Debt Service Fund	309	258	-	-
Sinking Fund	52	43	-	-
	1,444	1,217	-	-
Taxes Collected 2021 Rolls				
General Fund - Operating	1,402,141	1,075,976	1,347,607	408,830
General Fund - Recreation	247,762	252,426	711,655	256,954
2014 Debt Service Fund	333,889	339,928	958,348	346,029
2015 Debt Service Fund	333,889	339,928	958,348	346,029
2016 Debt Service Fund	430,049	437,827	1,234,353	445,685
2019 Debt Service Fund	771,951	785,913	2,215,702	800,018
Sinking Fund	129,499	132,608	373,854	134,985
	3,649,179	3,364,606	7,799,868	2,738,529

(Continued)

Grattan	Oakfield	Plainfield	Total
\$ 2,425,681	\$ 580,803	\$ 101,221,719	\$ 346,855,609
27,643,643	6,664,558	555,766,276	2,173,912,759

17.1924
0.9283
1.2500
1.2500
1.6100
2.8900
0.4877
25.6084

\$ 41,703	\$ 10,181	\$ 1,776,513	\$ 6,063,958
25,821	6,129	513,781	2,014,710
34,772	8,254	691,921	2,713,387
34,772	8,254	691,921	2,713,387
44,786	10,632	891,194	3,494,842
80,392	19,084	1,599,722	6,273,350
13,564	3,220	269,890	1,057,715
<u>275,810</u>	<u>65,754</u>	<u>6,434,942</u>	<u>24,331,348</u>

-	-	860	1,867
-	-	154	336
-	-	207	453
-	-	207	453
-	-	267	583
-	-	479	1,047
-	-	81	176
-	-	<u>2,254</u>	<u>4,915</u>

41,703	10,181	1,775,653	6,062,091
25,821	6,129	513,627	2,014,374
34,772	8,254	691,714	2,712,934
34,772	8,254	691,714	2,712,934
44,786	10,632	890,928	3,494,259
80,392	19,084	1,599,243	6,272,303
13,564	3,220	269,809	1,057,539
<u>275,810</u>	<u>65,754</u>	<u>6,432,688</u>	<u>24,326,433</u>

ROCKFORD PUBLIC SCHOOLS
Summary of 2021 Taxes Levied and Collected
For the year ended June 30, 2022 (Continued)

	County of Kent			
	City of	Townships		
	Rockford	Algoma	Cannon	Courtland
Delinquent Taxes Collected				
General Fund	\$ 3,541	\$ 615	\$ -	\$ -
2014 Debt Service Fund	317	93	-	-
2015 Debt Service Fund	339	118	-	-
2016 Debt Service Fund	245	76	-	-
2019 Debt Service Fund	26	322	-	-
Sinking Fund	4	47	-	-
	<u>4,473</u>	<u>1,271</u>	<u>-</u>	<u>-</u>
Total Taxes Collected				
General Fund - Operating	1,405,682	1,076,590	1,347,607	408,830
General Fund - Recreation	247,762	252,426	711,655	256,954
2014 Debt Service Fund	334,206	340,021	958,348	346,029
2015 Debt Service Fund	334,228	340,046	958,348	346,029
2016 Debt Service Fund	430,294	437,903	1,234,353	445,685
2019 Debt Service Fund	771,977	786,235	2,215,702	800,018
Sinking Fund	129,503	132,656	373,854	134,985
	<u>\$ 3,653,652</u>	<u>\$ 3,365,876</u>	<u>\$ 7,799,868</u>	<u>\$ 2,738,529</u>

Grattan	Oakfield	Plainfield	Total
\$ -	\$ -	\$ 851	\$ 5,007
-	-	529	939
-	-	490	947
-	-	367	687
-	-	1,546	1,894
-	-	111	162
-	-	3,894	9,637
41,703	10,181	1,776,504	6,067,097
25,821	6,129	513,627	2,014,374
34,772	8,254	692,243	2,713,873
34,772	8,254	692,204	2,713,881
44,786	10,632	891,294	3,494,946
80,392	19,084	1,600,788	6,274,197
13,564	3,220	269,920	1,057,701
<u>\$ 275,810</u>	<u>\$ 65,754</u>	<u>\$ 6,436,581</u>	<u>\$ 24,336,070</u>

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STATISTICAL SECTION (Unaudited)

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	118-125
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	126-135
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	136-141
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	142-145
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	146-152

ROCKFORD PUBLIC SCHOOLS
Schedule of Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Year Ended June 30	2022	2021	2020	2019
Expenses				
Governmental activities:				
Instruction	\$ 42,543,148	\$ 46,625,902	\$ 56,404,337	\$ 56,513,503
Supporting services	47,742,008	52,846,221	42,750,926	34,117,724
Food service	3,100,957	2,919,054	3,085,692	2,480,573
Community services	3,012,412	2,936,637	2,571,969	3,117,072
Other	406,354	143,132	110,006	463,776
Interest on long-term debt	5,357,362	5,598,168	7,215,502	5,394,813
Depreciation - unallocated	20,364	23,317	25,348	64,694
Total Expenses	102,182,605	111,092,431	112,163,780	102,152,155
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction	-	-	-	-
Supporting services	571,302	186,834	353,456	528,173
Food service	644,781	342,109	1,514,627	1,580,907
Community services	1,928,652	1,427,228	1,331,436	2,053,046
Operating grants and contributions	30,513,274	27,056,762	20,459,180	19,871,163
Total Program Revenues	33,658,009	29,012,933	23,658,699	24,033,289
Net (Expense)/Revenue	(68,524,596)	(82,079,498)	(88,505,081)	(78,118,866)

2018	2017	2016	2015	2014	2013
\$ 54,860,676	\$ 51,893,559	\$ 51,642,944	\$ 47,709,609	\$ 48,133,283	\$ 46,962,181
33,135,621	33,849,227	29,152,460	27,526,081	28,205,852	27,487,196
2,547,509	2,455,159	2,389,760	2,208,602	2,339,005	2,328,924
2,977,230	2,764,252	2,846,086	2,493,142	2,546,154	2,378,167
194,485	194,485	745,972	1,778,360	190,283	190,283
5,828,905	6,094,457	5,034,720	5,151,984	4,644,107	4,797,304
60,099	59,201	63,613	59,206	60,275	60,278
99,604,525	97,310,339	91,875,555	86,926,984	86,118,959	84,204,333
-	-	-	-	-	-
588,179	583,485	503,081	502,716	557,684	691,559
1,640,729	1,554,931	1,471,078	1,421,474	1,440,033	1,448,894
1,976,936	1,835,582	1,850,642	1,922,443	1,654,281	1,624,655
19,706,548	17,069,153	15,967,522	14,375,761	10,761,081	10,177,283
23,912,392	21,043,151	19,792,323	18,222,394	14,413,079	13,942,391
(75,692,133)	(76,267,188)	(72,083,232)	(68,704,590)	(71,705,880)	(70,261,942)

ROCKFORD PUBLIC SCHOOLS
Schedule of Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Year Ended June 30	2022	2021	2020	2019
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes, levied for				
general operations	\$ 8,153,929	\$ 7,827,732	\$ 7,680,834	\$ 6,951,410
Property taxes, levied for debt service	15,241,458	14,607,574	13,792,345	15,786,340
Property taxes, levied for				
capital improvements	1,058,652	1,021,383	977,969	-
State school aid, unrestricted	59,427,599	56,989,930	55,934,992	55,869,324
Interest and investment earnings	96,831	55,794	1,248,014	774,341
Other	3,205,090	1,739,876	2,171,905	2,179,143
Gain on sale of capital assets	-	-	-	-
Total General Revenues	87,183,559	82,242,289	81,806,059	81,560,558
Change In Net Position	18,658,963	162,791	(6,699,022)	3,441,692
Net Position, Beginning	(141,956,440)	(142,119,231)	(136,688,767)	(140,130,459)
Net Position, Ending	<u>\$(123,297,477)</u>	<u>\$(141,956,440)</u>	<u>\$(143,387,789)</u>	<u>\$(136,688,767)</u>
Net position by component				
Governmental activities:				
Net investment in capital assets	\$ 15,513,015	\$ 8,696,748	\$ 5,519,451	\$ 3,817,990
Restricted for capital projects	2,246,206	1,547,787	984,873	-
Restricted for debt service	693,388	3,665,821	3,780,553	4,524,722
Restricted for food service	1,297,717	388,009	170,323	198,578
Restricted for public purpose trust	471,833	469,570	-	-
Restricted for student/school activity	956,074	716,138	-	-
Unrestricted	(144,475,710)	(157,440,513)	(153,842,989)	(145,230,057)
Total Net Position	<u>\$(123,297,477)</u>	<u>\$(141,956,440)</u>	<u>\$(143,387,789)</u>	<u>\$(136,688,767)</u>

Source: Rockford Public Schools Annual Comprehensive Financial Reports

*Net position at July 1, 2014 was adjusted to reflect the District's share of Net Pension Liability

^Net position at July 1, 2016 was restated to reflect general obligation bonds outstanding at June 30, 2016

#Net position at July 1, 2017 was adjusted to reflect the District's share of Net OPEB Liability

~Net position at July 1, 2020 was restated to reflect the impact of GASB 84

2018	2017	2016	2015	2014	2013
\$ 6,634,096	\$ 6,624,504	\$ 6,530,732	\$ 6,346,556	\$ 6,356,523	\$ 6,331,632
14,924,027	14,261,484	13,910,809	13,334,951	13,002,481	12,726,674
-	-	-	-	-	-
54,210,749	52,924,603	52,207,555	52,229,115	53,141,952	52,206,778
518,006	368,096	98,781	14,316	4,560	8,026
2,745,835	2,801,122	2,707,328	3,155,836	1,498,185	1,217,519
-	-	25,470	17,225	15,685	-
<u>79,032,713</u>	<u>76,979,809</u>	<u>75,480,675</u>	<u>75,097,999</u>	<u>74,019,386</u>	<u>72,490,629</u>
3,340,580	712,621	3,397,443	6,393,409	2,313,506	2,228,687
<u>(143,471,039)</u>	<u>(103,235,994)</u>	<u>(104,633,437)</u>	<u>(111,026,846)</u>	<u>(10,878,234)</u>	<u>(13,106,921)</u>
<u><u>\$(140,130,459)</u></u>	<u><u>\$(102,523,373)</u></u>	<u><u>\$(101,235,994)</u></u>	<u><u>\$(104,633,437)</u></u>	<u><u>\$ (8,564,728)</u></u>	<u><u>\$ (10,878,234)</u></u>
\$ (295,302)	\$ (3,633,688)	\$ (2,490,282)	\$ (7,217,175)	\$ (11,779,739)	\$ (14,167,300)
7,996	84,171	95,378	106,619	-	-
2,726,992	1,797,893	1,430,156	1,709,311	3,121,643	1,142,740
167,318	133,537	111,310	97,791	93,971	99,204
-	-	-	-	-	-
-	-	-	-	-	-
<u>(142,737,463)</u>	<u>(100,905,286)</u>	<u>(100,382,556)</u>	<u>(99,329,983)</u>	<u>(603)</u>	<u>2,047,122</u>
<u><u>\$(140,130,459)</u></u>	<u><u>\$(102,523,373)</u></u>	<u><u>\$(101,235,994)</u></u>	<u><u>\$(104,633,437)</u></u>	<u><u>\$ (8,564,728)</u></u>	<u><u>\$ (10,878,234)</u></u>

ROCKFORD PUBLIC SCHOOLS
Schedule of Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Year Ended June 30	2022	2021	2020	2019
Revenues				
Local sources:				
Property taxes	\$ 24,454,039	\$ 23,456,689	\$ 22,451,148	\$ 22,737,750
Earnings on investments	96,831	55,794	1,248,014	774,341
Community services	1,928,652	1,427,228	1,514,627	2,053,046
Food service	644,781	342,190	1,331,436	1,580,907
Revenue from student activities	494,786	141,818	291,879	416,622
Other local sources	3,281,606	1,784,811	1,031,694	1,123,001
State sources	75,498,600	70,033,635	67,669,233	67,019,661
Federal sources	7,438,520	7,398,188	2,383,469	2,291,635
Interdistrict sources	7,003,753	6,614,869	6,341,470	6,429,191
Total Revenues	120,841,568	111,255,222	104,262,970	104,426,154
Expenditures				
Current:				
Instruction	58,050,617	54,369,023	51,429,562	50,940,673
Supporting services:				
Pupil services	5,531,458	4,828,824	4,854,843	4,916,235
Instructional staff services	4,730,316	2,679,404	3,532,501	2,698,398
General administrative services	813,281	776,011	742,789	817,234
School administrative services	5,376,170	5,160,488	4,907,704	4,842,217
Business services	1,761,492	1,573,736	1,564,633	1,538,035
Operation and maintenance services	9,443,308	10,713,962	7,785,612	7,395,598
Pupil transportation services	4,422,496	3,761,425	3,718,779	4,069,309
Central services	2,542,308	2,416,445	2,207,484	2,120,189
Other supporting services	2,976,976	2,194,534	1,534,215	1,524,844
Community services	3,271,479	2,812,202	2,837,576	2,881,527
Food service	3,422,445	2,763,571	2,244,784	2,349,317
Capital outlay	12,990,225	15,373,194	15,474,695	7,674,333
Debt service:				
Principal retirement	9,064,389	8,220,000	7,780,000	9,135,000
Interest and fiscal charges	6,498,704	6,860,634	6,912,080	5,465,081
Bond issuance costs, discount	-	-	-	311,469
Total Expenditures	130,895,664	124,503,453	117,527,257	108,679,459
Excess (Deficiency) Of Revenues Over Expenditures	(10,054,096)	(13,248,231)	(13,264,287)	(4,253,305)
Other Financing Sources (Uses)				
Bonds issued	-	-	-	48,665,000
Refunding bonds issued	4,340,000	-	-	-
Bond premium	-	-	-	6,458,451
Loan proceeds	-	-	-	-
Payments to refunded bond escrow agent	(7,245,611)	-	-	-
Transfers in	2,874,797	-	647,219	60,637
Transfers out	(2,874,797)	-	(647,219)	(60,637)
Total Other Financing Sources (Uses)	(2,905,611)	-	-	55,123,451
Net Change In Fund Balances	\$ (12,959,707)	\$ (13,248,231)	\$ (13,264,287)	\$ 50,870,146
Debt Service As A Percentage Of Noncapital Expenditures	13.39%	13.73%	14.40%	14.76%

Source: Rockford Public Schools Annual Comprehensive Financial Reports

2018	2017	2016	2015	2014
\$ 21,558,123	\$ 20,885,988	\$ 20,441,541	\$ 19,681,507	\$ 19,359,004
518,006	368,096	98,781	14,316	4,560
1,976,936	1,835,582	1,850,642	1,922,443	1,654,281
1,640,729	1,554,931	1,471,078	1,421,474	1,440,033
440,596	401,852	399,458	396,894	405,933
1,528,900	1,618,238	1,119,278	1,048,071	1,090,920
65,534,061	63,184,784	61,436,031	60,070,440	57,657,937
2,261,610	2,389,395	2,380,643	2,331,276	2,291,907
6,121,626	4,419,577	4,358,403	4,203,160	3,953,189
101,580,587	96,658,443	93,555,855	91,089,581	87,857,764
50,744,995	48,540,332	48,529,300	46,813,475	45,743,548
4,339,040	4,501,875	4,248,621	4,090,722	4,208,183
2,648,140	2,249,283	2,110,737	2,072,270	2,041,876
714,123	690,969	728,583	644,481	695,128
4,755,481	4,539,378	4,461,954	4,318,284	4,297,650
1,396,210	1,325,682	1,208,726	1,216,504	1,110,918
7,296,990	6,940,080	6,008,982	6,297,215	6,799,611
4,444,165	4,191,962	4,359,213	3,767,858	4,330,220
1,880,656	1,707,414	1,544,676	1,411,073	1,706,133
1,366,617	1,349,632	1,386,364	1,308,964	1,328,589
2,902,936	2,733,573	2,792,450	2,564,880	2,548,225
2,374,352	2,327,975	2,230,989	2,179,448	2,217,651
12,498,983	18,336,789	15,663,195	8,461,706	1,007,468
8,520,000	8,233,648	6,738,346	6,888,516	6,791,481
5,843,066	5,891,716	5,173,788	5,042,312	4,507,295
-	-	372,804	477,011	-
111,725,754	113,560,308	107,558,728	97,554,719	89,333,976
(10,145,167)	(16,901,865)	(14,002,873)	(6,465,138)	(1,476,212)
-	-	35,070,000	-	31,780,000
-	-	28,015,000	26,375,000	-
-	-	11,647,089	3,406,823	3,349,411
-	-	-	-	394,510
-	-	(36,258,151)	(32,659,422)	-
-	485,237	2,026,145	2,100,122	-
-	(485,237)	(2,026,145)	(2,100,122)	-
-	-	38,473,938	(2,877,599)	35,523,921
\$ (10,145,167)	\$ (16,901,865)	\$ 24,471,065	\$ (9,342,737)	\$ 34,047,709
14.47%	14.83%	13.37%	13.93%	12.79%

ROCKFORD PUBLIC SCHOOLS
Schedule of Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Year Ended June 30	2022	2021	2020	2019
General Fund				
Nonspendable	\$ 30,014	\$ 53,424	\$ 88,993	\$ 21,274
Unassigned	<u>10,359,239</u>	<u>9,029,106</u>	<u>7,413,488</u>	<u>6,135,828</u>
Total General Fund	<u>10,389,253</u>	<u>9,082,530</u>	<u>7,502,481</u>	<u>6,157,102</u>
All Other Governmental Funds				
Restricted, reported in:				
Special Revenue Funds	2,684,022	1,525,394	100,025	139,534
Debt Service Funds	1,724,064	4,747,862	4,923,274	5,364,021
Capital Projects Funds	26,594,974	38,989,513	53,777,217	67,917,881
Nonspendable, reported in:				
Special Revenue Funds	41,602	48,323	70,298	59,044
Total All Other Governmental Funds	<u>31,044,662</u>	<u>45,311,092</u>	<u>58,870,814</u>	<u>73,480,480</u>
Total All Governmental Funds	<u>\$ 41,433,915</u>	<u>\$ 54,393,622</u>	<u>\$ 66,373,295</u>	<u>\$ 79,637,582</u>

Source: Rockford Public Schools Annual Comprehensive Financial Reports

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 16,896	\$ 39,797	\$ 214,928	\$ 26,388	\$ 138,449	\$ 66,231
<u>4,576,218</u>	<u>3,143,390</u>	<u>2,441,740</u>	<u>2,491,462</u>	<u>1,741,871</u>	<u>3,866,180</u>
<u>4,593,114</u>	<u>3,183,187</u>	<u>2,656,668</u>	<u>2,517,850</u>	<u>1,880,320</u>	<u>3,932,411</u>
101,168	54,673	23,650	5,555	(2,501)	454
3,636,559	2,718,667	2,146,949	2,565,172	3,867,265	1,884,496
20,370,445	32,877,212	50,899,541	26,162,590	34,844,584	722,320
<u>66,150</u>	<u>78,864</u>	<u>87,660</u>	<u>92,236</u>	<u>96,472</u>	<u>98,750</u>
<u>24,174,322</u>	<u>35,729,416</u>	<u>53,157,800</u>	<u>28,825,553</u>	<u>38,805,820</u>	<u>2,706,020</u>
<u>\$ 28,767,436</u>	<u>\$ 38,912,603</u>	<u>\$ 55,814,468</u>	<u>\$ 31,343,403</u>	<u>\$ 40,686,140</u>	<u>\$ 6,638,431</u>

ROCKFORD PUBLIC SCHOOLS
Property Tax Levies and Collections
Last Ten Tax Years

<u>Tax Year</u>	<u>Fiscal Year Ended June 30</u>	<u>Taxes Levied For The Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
			<u>Amount</u>	<u>Percentage of Levy</u>	
2012	2013	\$ 18,992,761	\$ 18,961,429	99.84%	\$ 28,199
2013	2014	19,228,156	19,216,534	99.94%	9,879
2014	2015	19,594,350	19,586,004	99.96%	8,710
2015	2016	20,357,105	20,341,230	99.92%	15,875
2016	2017	20,805,193	20,774,852	99.85%	13,450
2017	2018	21,545,724	21,512,949	99.85%	27,500
2018	2019	22,625,840	22,595,677	99.87%	124,445
2019	2020	22,176,071	22,168,774	99.97%	11,991
2020	2021	23,276,094	23,266,007	99.96%	9,637
2021	2022	24,616,149	24,611,234	99.98%	-

Source: Kent County Tax Rolls and Rockford Public Schools District Records

Total Collections to Date	
Amount	Percentage of Levy
\$ 18,989,628	99.98%
19,226,413	99.99%
19,594,714	100.00%
20,357,105	100.00%
20,788,302	99.92%
21,540,449	99.98%
22,720,122	100.42%
22,180,765	100.02%
23,275,644	100.00%
24,611,234	99.98%

ROCKFORD PUBLIC SCHOOLS
Property Tax Rates - Direct and Overlapping Governments
Last Ten Tax Years
(rate per \$1,000 of taxable value)

Year Ended June 30	2022	2021	2020	2019
District Direct Rates				
General Fund - Operation*	17.1924	17.3504	17.7137	17.1268
General Fund - Recreation	0.9283	0.9399	0.9517	0.9614
Debt service	7.0000	7.0000	7.0000	8.5000
	<u>0.4877</u>	<u>0.4938</u>	<u>0.5000</u>	<u>0.0000</u>
Total District Direct Rates	25.6084	25.7841	26.1654	26.5882
Overlapping Rates				
City of Rockford	59.7777	59.1553	59.4678	59.9618
Algoma Township	48.5184	47.9223	48.2574	48.7724
Cannon Township	49.7607	48.6919	49.0335	49.5590
Courtland Township	48.6030	47.9987	48.3300	48.8392
Grattan Township	49.0195	48.4189	48.6980	49.2126
Oakfield Township	48.0958	47.4792	47.8001	48.3051
Plainfield Township	51.0520	50.4390	50.7534	51.2541

Source: Kent County Department of Equalization Apportionment Reports

*General operation tax rate limited to 18 mills by State statute.

2018	2017	2016	2015	2014	2013
17.3894	17.7534	18.0000	18.0000	18.0000	18.0000
0.9689	0.9805	0.9881	0.9881	0.9881	0.9881
8.5000	8.5000	8.5000	8.5000	8.5000	8.5000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
26.8583	27.2339	27.4881	27.4881	27.4881	27.4881
60.4743	60.5357	58.0503	57.8645	57.7645	57.1389
49.3000	49.3770	48.9140	48.7423	48.6423	48.0167
50.0947	49.9899	49.3320	49.0815	48.9944	48.3929
49.3632	49.2912	48.8269	48.6555	48.5601	47.9345
49.7418	49.8172	49.2615	49.0864	48.9981	48.3803
48.8331	48.9034	48.4226	47.7391	47.6395	47.0139
51.7696	51.8334	51.3503	50.6645	50.1645	49.5289

ROCKFORD PUBLIC SCHOOLS
Taxable, Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(rate per \$1,000 of taxable value)

Tax Year	Year Ended June 30	Taxable Value			Assessed Value
		Homestead	Non- Homestead	Total	
2012	2013	\$ 1,174,157,465	\$ 318,413,776	\$ 1,492,571,241	\$ 1,582,285,200
2013	2014	1,209,466,838	313,690,538	1,523,157,376	1,621,783,381
2014	2015	1,252,675,489	310,489,994	1,563,165,483	1,680,398,200
2015	2016	1,312,053,127	319,680,953	1,631,734,080	1,815,617,500
2016	2017	1,397,443,241	273,192,641	1,670,635,882	1,940,752,200
2017	2018	1,474,404,866	275,983,578	1,750,388,444	2,078,002,800
2018	2019	1,559,236,204	291,393,851	1,850,630,055	2,174,246,800
2019	2020	1,633,652,988	327,973,641	1,961,626,629	2,553,442,600
2020	2021	1,723,323,291	348,401,321	2,071,724,612	2,704,148,300
2021	2022	1,820,482,415	354,419,679	2,174,902,094	2,354,098,674

Source: Kent County Bureau of Equalization Annual Equalization Reports

Total Direct Tax Rate	Estimated Actual Value
27.4881	\$ 3,164,570,400
27.4881	3,243,566,762
27.4881	3,360,796,400
27.4881	3,631,235,000
27.2339	3,881,504,400
26.8583	4,156,005,600
26.5882	4,348,493,600
26.1654	5,106,885,200
25.7841	5,408,296,600
25.6084	4,708,197,348

ROCKFORD PUBLIC SCHOOLS
Taxable Values by Major Component
Last Ten Fiscal Years
(rate per \$1,000 of taxable value)

Tax Year	Year Ended June 30	Real			
		Agricultural	Commercial	Industrial	Residential
2012	2013	\$ 23,182,011	\$ 326,612,591	\$ 84,469,396	\$ 975,917,611
2013	2014	23,665,994	333,431,453	86,232,908	996,292,353
2014	2015	24,329,273	342,776,423	88,649,729	1,024,215,101
2015	2016	25,394,367	357,782,621	92,530,671	1,069,053,584
2016	2017	26,323,744	370,876,672	95,917,089	1,108,178,577
2017	2018	27,674,040	389,901,041	100,837,219	1,165,023,344
2018	2019	29,257,377	412,208,751	106,606,498	1,231,678,729
2019	2020	31,081,250	437,905,399	113,252,232	1,308,460,248
2020	2021	32,901,060	463,544,795	119,883,159	1,385,070,699
2021	2022	34,547,911	486,747,372	125,883,869	1,454,399,942

Source: Kent County Department of Equalization Annual Equalization Reports

Total	Personal	Total
\$ 1,410,181,609	\$ 82,389,632	\$ 1,492,571,241
1,439,622,708	83,534,668	1,523,157,376
1,479,970,526	83,194,957	1,563,165,483
1,544,761,243	86,972,835	1,631,734,078
1,601,296,082	69,339,800	1,670,635,882
1,683,435,644	66,952,800	1,750,388,444
1,779,751,355	70,878,700	1,850,630,055
1,890,699,129	70,927,500	1,961,626,629
2,001,399,712	70,324,900	2,071,724,612
2,101,579,094	73,323,000	2,174,902,094

ROCKFORD PUBLIC SCHOOLS
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	June 30, 2022		
	2021 Taxable Value	Rank	Percent of District's Total Taxable Value
Wolverine World Wide	\$ 21,272,700	1	1.03%
Consumers Energy	17,699,200	2	0.85%
DTE Gas Company	16,407,700	3	0.79%
MC Flats, LLC	12,061,200	4	0.58%
Meijer, Inc	8,766,500	5	0.42%
Rockford Care, LLC	6,315,700	6	0.30%
Consumers Energy Company	5,689,500	7	0.27%
Trilogy Real Estate Kent II LLC	5,247,400	8	0.25%
Boulder Creek Health Park, LLC	5,073,400	9	0.24%
Hillview Townhouse Apartments, LLC	4,288,600	10	0.21%
Jade Pig Ventures/Rockford LLC	-		
Jackson Safety, LLC	-		
Blythefield County Club	-		
Wynalda Litho, Inc.	-		
Klein Plastics Co., LLC	-		
Byrne Electrical Specialists	-		
Totals	\$ 102,821,900		4.96%

Source: Kent County Equalization Department

June 30, 2013		
2012 Taxable Value	Rank	Percent of District's Total Taxable Value
\$ 20,199,309	1	1.35%
15,637,802	2	1.05%
8,465,200	3	0.57%
-		
7,828,807	5	0.52%
-		
-		
-		
-		
-		
3,112,700	9	0.21%
3,264,000	8	0.22%
2,717,968	10	0.18%
5,968,300	4	0.40%
4,362,600	6	0.29%
<u>3,895,400</u>	7	<u>0.26%</u>
<u>\$ 75,452,086</u>		<u>5.05%</u>

ROCKFORD PUBLIC SCHOOLS
Ratio of Outstanding Debt to Estimated Actual Value and
Net General Bonded Debt Per Capita
Last Ten Fiscal Years

Tax Year	Year Ended June 30	Estimated Actual Value	Total Debt Outstanding*	Debt Service Funds Available	Net Debt Outstanding*
2012	2013	\$ 3,164,570,400	\$ 98,862,809	\$ 1,884,496	\$ 96,978,313
2013	2014	3,243,566,762	127,020,548	3,867,265	123,153,283
2014	2015	3,360,796,400	115,788,044	2,565,172	113,222,872
2015	2016	3,631,235,000	146,574,645	2,146,949	144,427,696
2016	2017	3,881,504,400	138,976,480	2,718,667	136,257,813
2017	2018	4,156,005,600	129,091,963	3,636,559	125,455,404
2018	2019	4,348,493,600	174,686,765	5,364,021	169,322,744
2019	2020	5,106,885,200	164,930,933	4,923,274	160,007,659
2020	2021	5,408,296,600	155,509,147	4,747,862	150,761,285
2021	2022	4,708,197,348	142,660,549	1,724,064	140,936,485

* Amounts include bonds, state school bond loan, and finance purchase agreements.

** Personal income statistics for Kent County

Source : Rockford Public Schools and Kent County Annual Comprehensive Financial Reports.

Percentage of Outstanding Net Debt to Estimated Actual Value	Population	Net Outstanding Debt Per Capita	Estimated Actual Value Per Capita	Ratio of Net Debt Outstanding To Personal Income**
3.06%	39,853	\$ 2,433	\$ 79,406	0.62%
3.80%	40,079	3,073	80,929	0.76%
3.37%	41,214	2,747	81,545	0.67%
3.98%	40,899	3,531	88,785	0.80%
3.51%	42,062	3,239	92,281	0.71%
3.02%	42,482	2,953	97,830	0.62%
3.89%	42,833	3,953	101,522	0.79%
3.13%	43,043	3,717	118,646	0.68%
2.79%	43,157	3,493	125,317	0.64%
2.99%	44,952	3,135	104,738	N/A

ROCKFORD PUBLIC SCHOOLS
Ratios of General Bonded Debt Outstanding
And Legal Debt Margin
Last Ten Fiscal Years

Tax Year	Year Ended June 30	State Equalized Value (SEV)	Statutory Debt Limit 15% of SEV	Debt Outstanding	Debt Subject To Debt Limit*
2012	2013	\$1,582,285,200	\$ 237,342,780	\$ 98,862,809	\$ 735,000
2013	2014	1,621,783,381	243,267,507	127,020,548	660,000
2014	2015	1,680,398,200	252,059,730	115,788,044	580,000
2015	2016	1,815,617,500	272,342,625	146,574,645	495,000
2016	2017	1,940,752,200	291,112,830	138,976,480	405,000
2017	2018	2,078,002,800	311,700,420	129,091,963	310,000
2018	2019	2,174,246,800	326,137,020	174,686,765	210,000
2019	2020	2,553,442,600	383,016,390	164,930,933	105,000
2020	2021	2,704,148,300	405,622,245	155,509,147	-
2021	2022	2,354,098,674	353,114,801	142,660,549	-

*Act 451, Public Acts of Michigan, 1976, provides debt limits as follows: The bonded indebtedness of a school district shall not exceed 15% of all assessed valuation of the District. Bonds not included in the computation of the legal debt margin are: (1) refunding bonds; (2) and bond qualified under Article IX, Section 16 of the 1963 Michigan Constitution; and, (3) deficit budget bonds as authorized by prior Section 1356. The outstanding debt of Rockford Public Schools subject to the statutory debt limit are Energy Conservation Improvement Bonds.

Source: Rockford Public Schools Annual Comprehensive Financial Reports

Legal Debt Margin	Debt As A Percentage Of Debt Limit
\$ 236,607,780	0.31%
242,607,507	0.27%
251,479,730	0.23%
271,847,625	0.18%
290,707,830	0.14%
311,390,420	0.10%
325,927,020	0.06%
382,911,390	0.03%
405,622,245	0.00%
353,114,801	0.00%

ROCKFORD PUBLIC SCHOOLS
Computation of Direct and Overlapping Bonded Debt
June 30, 2022

<u>Taxing Entity</u>	<u>Taxable Value</u>	<u>District's Estimated Portion of Taxable Value</u>	<u>Estimated District Percentage</u>
Direct Debt			
General Obligation Debt Outstanding			
Less amounts available in Debt Service Funds			
Total Direct Debt			
Overlapping Debt*			
City of Rockford	\$ 287,751,656	\$ 287,751,656	100.00%
Cannon Township	860,771,312	830,621,615	96.50%
Plainfield Charter Township	1,589,483,184	605,787,941	38.11%
Kent County	28,418,785,125	2,354,098,674	8.28%
Grand Rapids Community College	28,418,785,125	2,354,098,674	8.28%
Total Overlapping Debt			
Total Direct and Overlapping Debt			

Source: Kent County Department of Equalization Annual Equalization Reports; Local Unit Annual Comprehensive Financial Reports

*Overlapping debt is the portion of other public debt for which a District taxpayer is liable in addition to the Direct Debt of the District (calculated on a pro-rata basis of property tax valuations)

Entity's General Obligation Debt	District's Estimated Portion of Debt
	\$ 142,660,549
	<u>1,724,064</u>
	<u>140,936,485</u>
\$ 2,539,805	2,539,805
5,055,000	4,877,942
9,760,000	3,719,756
112,780,000	9,342,245
23,775,000	<u>1,969,426</u>
	<u>22,449,174</u>
	<u>\$ 163,385,659</u>

ROCKFORD PUBLIC SCHOOLS
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population ^a	Unemployment ^b			Inflation Rate ^c
		City of Rockford	County of Kent	State of Michigan	
2013	39,853	6.2%	5.4%	9.0%	3.0%
2014	40,079	4.4%	4.5%	7.1%	1.6%
2015	41,214	4.8%	3.5%	5.7%	1.0%
2016	40,899	3.4%	3.3%	5.1%	1.0%
2017	42,062	3.3%	3.3%	4.5%	1.1%
2018	42,482	3.4%	3.5%	4.3%	1.0%
2019	42,833	3.1%	3.1%	4.1%	1.0%
2020	43,043	3.9%	3.9%	8.4%	1.0%
2021	43,157	4.8%	4.8%	6.1%	1.0%
2022	44,952	4.2%	3.2%	4.3%	1.0%

Source:

^a U.S. Census Bureau and local population counts

^b United States Department of Labor, Bureau of Labor and Statistics

^c Consumer Price Index All Urban Consumers

** United States Census Bureau, QuickFacts for Kent County 2017-2021 Personal Income and Per Capita Income

Personal Income In Thousand \$**	Per Capita Income**
15,669,162	25,889
16,141,252	26,669
16,932,958	26,636
18,025,796	28,070
19,090,067	29,433
20,270,635	31,005
21,366,804	32,524
23,525,802	35,751
23,525,802	35,751
N/A	N/A

ROCKFORD PUBLIC SCHOOLS
Principal Employers
Current Year and Nine Years Ago

Employer	June 30, 2022	
	Approximate Number of Employees	Percent of District's Total Estimated Population
Wolverine World Wide	1,500	3.48%
Byrne Electrical Specialist, Inc.	535	1.24%
Jackson Products Inc	300	0.70%
Belmont Engineered Plastics, LLC	230	0.53%
AvaSure Inc.	220	0.51%
Flo's Collection	200	0.46%
Williams Form Engineering Corp	200	0.46%
Wynalda Packaging	180	0.42%
Intergrated Packaging Machinery, LLC	130	0.30%
Steel Craft Technologies.	120	0.28%
Totals	3,615	8.38%

Source: The Right Place, Inc.

Employer	June 30, 2013	
	Approximate Number of Employees	Percent of District's Total Estimated Population
Wolverine World Wide	1,750	4.35%
Rockford Public Schools	887	2.20%
Jackson Safety Products LLC	300	0.75%
Byrne Electrical Specialist, Inc.	250	0.62%
Grand Rapids Controls	250	0.62%
ITW - Aim	135	0.34%
Wynalda Litho, Inc.	130	0.32%
D&W Foods, Inc.	125	0.31%
Meijer, Inc.	100	0.25%
Kalfact Plastics Co.	85	0.21%
Totals	4,012	9.97%

ROCKFORD PUBLIC SCHOOLS
Full Time Equivalent Employees by Function
Last Ten Fiscal Years

Employee Category	Number of Employees as of June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Administrators	36	35	36	35	34	34	32	31	31	29
Teachers/counselors	497	484	474	451	467	477	446	441	433	439
Clerical/secretarial	42	42	43	46	98	91	87	86	86	87
Instructional aides	148	157	137	140	137	146	137	129	127	121
Food Service	39	41	39	37	38	39	40	41	40	42
Maintenance/custodial	50	53	50	43	42	43	43	40	41	38
Transportation	48	52	53	62	59	63	69	69	79	75
All others	142	144	141	169	109	98	93	98	83	83
Total	<u>1,002</u>	<u>1,008</u>	<u>973</u>	<u>983</u>	<u>984</u>	<u>991</u>	<u>947</u>	<u>935</u>	<u>920</u>	<u>914</u>

Source : District records

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ROCKFORD PUBLIC SCHOOLS
Student Enrollment and Graduate Statistics
Last Ten Fiscal Years

Year Ended June 30	Enrollment				
	Elementary Schools	Middle Schools	High School	Special Education	Total Enrollment
2013	3,508	1,752	2,580	167	8,007
2014	3,490	1,706	2,548	204	8,007
2015	3,480	1,734	2,539	197	7,948
2016	3,473	1,678	2,546	218	7,915
2017	3,461	1,669	2,578	203	7,911
2018	3,556	1,746	2,476	214	7,992
2019	3,545	1,755	2,409	200	7,909
2020	3,594	1,731	2,411	228	7,964
2021	3,472	1,639	2,429	209	7,749
2022	3,533	1,624	2,456	136	7,749

Source: District records

High School	Graduates	
	Adult Completion	Total Graduates
590	7	597
594	11	605
621	12	633
649	8	657
622	4	626
626	8	634
600	5	605
530	2	532
631	3	634
588	5	593

ROCKFORD PUBLIC SCHOOLS
Capital Assets by Type
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land	\$ 2,093,127	\$ 2,093,127	\$ 2,093,127	\$ 2,093,127
Construction in progress	7,196,386	10,682,414	11,879,700	4,558,676
Land improvements	21,812,128	19,159,045	18,714,966	18,714,966
Buildings and improvements	175,140,172	162,546,395	149,543,760	145,993,085
Furniture and equipment	21,672,844	21,189,534	19,398,271	17,743,972
Vehicles	<u>5,924,233</u>	<u>5,733,153</u>	<u>5,895,050</u>	<u>5,758,195</u>
	<u>\$233,838,890</u>	<u>\$221,403,668</u>	<u>\$207,524,874</u>	<u>\$194,862,021</u>

Source: Rockford Public Schools Annual Comprehensive Financial Reports

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 2,093,127	\$ 2,093,127	\$ 2,093,127	\$ 2,093,127	\$ 2,093,127	\$ 2,093,127
1,068,387	12,309,026	1,412,828	5,738,906	146,032	-
18,708,756	18,708,756	18,688,806	16,285,455	16,285,455	16,272,550
142,958,904	121,649,054	119,179,540	104,087,790	104,087,790	104,062,601
17,503,603	16,917,975	16,542,804	15,924,194	15,493,695	15,439,676
<u>6,010,593</u>	<u>5,918,989</u>	<u>5,554,365</u>	<u>5,728,580</u>	<u>5,366,400</u>	<u>5,248,430</u>
<u>\$188,343,370</u>	<u>\$177,596,927</u>	<u>\$163,471,470</u>	<u>\$149,858,052</u>	<u>\$143,472,499</u>	<u>\$143,116,384</u>

ROCKFORD PUBLIC SCHOOLS
District Facilities By Function
June 30, 2022

Building	Year Of Construction	Last Addition Or Renovation	Number Of Stories	Square Footage	Acreage	Number Of Classrooms
Elementary Schools						
Belmont	1923	2017	1	46,338	7	20
Cannonsburg	1951	2017	2	40,129	6	22
Crestwood	1965	2018	1	51,593	23	28
Lakes	1952	2017	1	56,738	9	31
Meadow Ridge	1999	2010	2	70,770	42	26
Parkside	1954	2017	1	40,900	3	20
Roguewood	1989	2017	1	62,410	29	35
Valley View	1965	2018	1	53,614	13	28
Middle Schools						
East Rockford	2000	2010	2	171,169	113	54
North Rockford	1957	2019	2	188,680	20	52
High School						
Rockford	1992	2019	2	355,969	80	92
Freshman Center	1972	2017	2	125,250	30	43
Other						
Alternative Education	1929	2017	1	7,040	—	4
District-Wide Facilities						
Administration Center	1922	2020	1	40,319	9	—
Bus Garage	1975	2010	1	22,168	8	—
Maintenance Center	1991	2010	1	19,424	—	—
Boathouse	2003	—	1½	13,600	3	—
Brewer House	1960	—	1	1,780	—	—
Special Services Bldg.	1927	2012	2	3,750	—	—

Source : District records