



ROCKFORD PUBLIC SCHOOLS

Kent County, Michigan

Annual Financial Reports

For the year ended June 30, 2024



HUNGERFORD
CPAs • ADVISORS • TECHNOLOGY • WEALTH

TABLE OF CONTENTS

Financial Section

<i>Independent Auditor's Report</i>	1
<i>Management's Discussion and Analysis</i>	5
<i>Basic Financial Statements</i>	13
District-Wide Financial Statements:	
Statement of Net Position	14
Statement of Activities.....	16
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	17
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	18
Statement of Revenues, Expenditures and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities.....	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	22
Notes to Basic Financial Statements	23
<i>Required Supplementary Information</i>	
Schedule of the District's Proportionate Share	
Net Pension Liability.....	56
Net OPEB Liability (Asset).....	58
Schedule of District Contributions	
Pension Contributions	60
OPEB Contributions.....	62
Notes to Required Supplementary Information.....	64

TABLE OF CONTENTS (Continued)

Supplementary Information

Nonmajor Governmental Funds:

Combining Balance Sheet.....	68
------------------------------	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	69
--	----

Special Revenue Funds.....	71
----------------------------	----

Combining Balance Sheet with Comparative Totals	72
---	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances with Comparative Totals	74
---	----

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:

Food Service Special Revenue Fund	76
---	----

Public Purpose Trust Special Revenue Fund	77
---	----

Student/School Activity Special Revenue Fund	78
--	----

Debt Service Funds	79
--------------------------	----

Combining Balance Sheet with Comparative Totals	80
---	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances with Comparative Totals	82
---	----

Capital Projects Funds	85
------------------------------	----

Combining Balance Sheet with Comparative Totals	86
---	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances with Comparative Totals	88
---	----

Federal Financial Assistance Programs Supplemental Information Issued Under Separate Cover

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

October 30, 2024

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 Rockford Public Schools as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise 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 Rockford Public Schools, as of June 30, 2024, 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 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 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 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 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 Rockford Public Schools' basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024, on our consideration of 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 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.

A handwritten signature in black ink that reads "Hungerford". The script is cursive and fluid, with the first letter 'H' being particularly large and stylized.

Certified Public Accountants
Grand Rapids, Michigan

This Page Intentionally Left Blank

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2024. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

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.

Condensed District-wide Financial Information

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

	2024	2023
Assets		
Current assets	\$ 78,954,596	\$ 114,469,276
Net capital assets	188,312,285	157,338,203
Net OPEB Asset	2,811,715	-
Total Assets	270,078,596	271,807,479
Deferred Outflows of Resources	58,747,284	69,814,736
Liabilities		
Current liabilities	32,044,434	26,757,783
Long-term liabilities	190,554,501	204,202,876
Net pension liability	162,133,608	188,321,036
Net OPEB liability	-	10,540,761
Total Liabilities	384,732,543	429,822,456
Deferred Inflows of Resources	38,701,119	22,761,237
Net Position		
Net investment in capital assets	14,966,223	18,607,685
Restricted	11,605,343	8,855,423
Unrestricted (deficit)	(121,179,348)	(138,424,586)
Total Net Position	\$ (94,607,782)	\$ (110,961,478)

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

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

	2024	2023
Program Revenues		
Charges for services	\$ 4,062,858	\$ 4,945,296
Operating grants	42,451,974	40,878,026
General Revenues		
Property taxes	32,309,617	26,656,530
State school aid, unrestricted	66,441,405	63,625,901
Interest and investment earnings	1,451,099	1,746,008
Other	6,575,083	3,308,759
Total Revenues	153,292,036	141,160,520
Expenses		
Instruction	62,449,424	67,848,612
Supporting services	57,267,534	47,728,524
Food service	4,139,369	3,561,807
Community services	3,818,576	4,058,163
Other	555,434	526,741
Interest on long-term debt	8,687,639	5,080,310
Depreciation – unallocated	20,364	20,364
Total Expenses	136,938,340	128,824,521
Change in net position	16,353,696	12,335,999
Net Position, Beginning of Year	(110,961,478)	(123,297,477)
Net Position, End of Year	\$ (94,607,782)	\$ (110,961,478)

Financial Analysis of the District as a Whole

Total revenues exceeded expenses by \$16,353,696 on the Statement of Activities, increasing total net position from a deficit of \$110,961,478 to a deficit of \$94,607,782 at June 30, 2024. Unrestricted net position increased by \$17,245,238 to a deficit of \$121,179,348 at June 30, 2024. The District's net pension liability, including deferred outflows and inflows of resources, decreased by \$3,618,619 during the fiscal year, and its net OPEB liability, including outflows and inflows of resources, decreased by \$8,887,996.

The District's financial position is the product of various financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation and amortization of capital assets. A large portion of the District's net position reflects investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress); less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, they are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's total revenues were \$153.3 million. Property taxes and unrestricted State aid accounted for most of the District's revenues, contributing 64% of the total. The remainder came from State and federal aid for specific programs (28%), fees charged for services, interest earnings and other local sources.

The total cost of all programs increased by 6% to a total of \$136.9 million. The District's expenses are predominantly related to instruction (46%) and supporting services (42%), which includes various functions such as caring for (pupil services) and transporting students, and general, operating and maintenance administrative services.

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 explains the relationship (or differences) between them.

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 \$119,306,790 and total expenditures of \$114,502,270. The ending fund balance was \$19,960,652 at June 30, 2024, up from \$15,157,132 at June 30, 2023.

Capital Projects Fund

The District operates one major Capital Projects Fund, the 2023 Construction Fund. During the fiscal year, the fund had total revenues of \$3,005,778 and total expenditures of \$50,053,414. The ending fund balance in the fund totaled \$26,249,813 at June 30, 2024, down from \$73,297,449 at June 30, 2023.

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. The funds had total revenues of \$6,262,970 and total expenditures of \$6,522,088. The ending fund balances in the Special Revenue Funds totaled \$2,414,064 at June 30, 2024, down from \$2,673,182 at June 30, 2023. Of the ending fund balances, \$1,225,726 is attributed to the Food Service Fund, \$234,335 is attributed to the Public Purpose Trust Fund, and \$954,003 is attributed to the Student/School Activity Fund.

Debt Services Funds

The District operates six Debt Service Funds to finance the repayment of general obligation bonds. The funds had total revenues of \$18,793,316, total expenditures of \$17,801,271, total other financing sources of \$22,893,456, and total other financing uses of \$23,268,660. The ending fund balances in the Debt Services fund totaled \$4,591,048 at June 30, 2024, up from \$3,974,207 at June 30, 2023.

Capital Projects Funds

The District operates three nonmajor Capital Projects Funds: the Public Act 10 Capital Projects Fund, the Building and Site Sinking Fund and the 2019 Construction Fund. The Public Act 10 Capital Projects Fund accounts for previously approved millage revenue to help in funding the ongoing capital projects of the District. During the fiscal year, the funds had total revenues of \$1,527,477, total expenditures of \$43,694, and other financing sources of \$1,000. The ending fund balances in the nonmajor Capital Projects Funds totaled \$6,113,409 at June 30, 2024, up from \$4,628,626 at June 30, 2023.

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 are to account for the foundation allowance per-pupil allocation approved by the State as well as the final student enrollment in the District. These are two important factors that impact how much state foundation allowance will be received during the fiscal year.
- Final amendments made in June are for modifications in appropriations to prevent budget overruns and reductions in expenses put into place by the administration.
- Budget revisions refined State Aid revenue, Federal revenue, and grants awarded. The revisions reflected the related expenditure outflows anticipated, especially related to ESSER III 11t.
- The final budget for the General Fund anticipated the fund balance to be 14.78% of General Fund expenditures and transfers - the actual results equaled 17.43%.

Capital Asset and Debt Administration**Capital Assets**

By the end of 2024, the District had a \$300,634,796 investment in a broad range of capital assets, including land and improvements, school buildings, athletic facilities, vehicles, 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, 2024, the District's investment in capital assets (net of accumulated depreciation), was \$188,312,285. Net capital asset additions totaled \$37,279,065 for the fiscal year with accumulated depreciation increasing \$6,029,730, resulting in a net increase in the book value of capital assets of \$30,974,082.

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	\$ 2,293,127
Construction in progress	47,957,712
Land improvements	15,647,889
Buildings and improvements	113,570,889
Furniture and equipment	5,194,800
Vehicles	<u>3,647,868</u>
Net Capital Assets	<u>\$ 188,312,285</u>

Long-term Obligations

At year end, the District had \$201.5 million in general obligation bonds and other long-term obligations outstanding – a net decrease of \$13.5 million from June 30, 2023.

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 wrapping up the 2nd phase of construction and preparing to enter into the third phase in mid-2025.
- Voters approved a Headlee Override in November 2022 allowing the District to levy the full 18 mill non homestead millage thereby ensuring the District can collect its full non homestead taxes. The District continues to levy the full 18 mills.
- The District's student enrollment is impacted by housing prices and birth rates across the State. As such, student enrollment can be a challenging variable to predict. The District utilizes an outside firm (Stanfred & Associates) to analyze and project student headcount to help plan for the future. Part of planning for the future has included the Board of Education adopting a new three-year strategic plan, RAMS XII, that will lead the District and guide decisions that support organizational well-being and financial health.

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

STATEMENT OF NET POSITION

ROCKFORD PUBLIC SCHOOLS
June 30, 2024

	Governmental Activities
Assets	
Cash	\$ 2,750
Cash equivalents and investments (Note B)	60,850,874
Accounts receivable	77,046
Due from other governmental units (Note C)	17,968,503
Inventory	51,770
Prepaid expenses	3,653
Capital assets not being depreciated (Note E)	50,250,839
Capital assets being depreciated, net (Note E)	138,061,446
Net OPEB Asset (Note I)	<u>2,811,715</u>
Total Assets	<u>270,078,596</u>
Deferred Outflows of Resources	
Loss on advance bond refundings, net	729,958
Deferred pension amounts	47,629,703
Deferred OPEB amounts	<u>10,387,625</u>
Total Deferred Outflows of Resources	<u>58,747,286</u>
Liabilities	
Accounts payable	9,002,586
Due to other governmental units	4,469,175
Payroll withholdings payable	130,584
Accrued interest payable	1,513,178
Salaries payable	4,514,168
Unearned revenue	1,509,097
Long-term liabilities (Note G):	
Due within one year	10,905,646
Due in more than one year	190,554,501
Net pension liability (Note H)	<u>162,133,605</u>
Total Liabilities	<u>384,732,542</u>
Deferred Inflows of Resources	
Deferred pension amounts	16,487,832
Deferred OPEB amounts	<u>22,213,287</u>
Total Deferred Inflows of Resources	<u>38,701,119</u>

STATEMENT OF NET POSITION (Continued)

ROCKFORD PUBLIC SCHOOLS
June 30, 2024

	<u>Governmental Activities</u>
Net Position	
Net investment in capital assets	\$ 14,966,223
Restricted for:	
Capital projects	6,113,409
Debt service	3,077,870
Food service	1,225,726
Public purpose trust	234,335
Student/school activity	954,003
Unrestricted (deficit)	<u>(121,179,348)</u>
Total Net Position	<u><u>\$ (94,607,782)</u></u>

STATEMENT OF ACTIVITIES

ROCKFORD PUBLIC SCHOOLS
For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants	
Governmental Activities				
Instruction	\$ 62,449,424	\$ 228,032	\$ 34,403,537	\$ (27,817,855)
Supporting services	57,267,534	600,390	3,996,215	(52,670,929)
Food service	4,139,369	661,602	3,842,444	364,677
Community services	3,818,576	2,572,834	-	(1,245,742)
Other	555,434	-	209,778	(345,656)
Interest on long-term debt	8,687,639	-	-	(8,687,639)
Depreciation - unallocated*	20,364	-	-	(20,364)
Total Governmental Activities	\$ 136,938,340	\$ 4,062,858	\$ 42,451,974	(90,423,508)
General Revenues				
Taxes:				
Property taxes, levied for general operations				9,963,966
Property taxes, levied for debt service				18,107,299
Property taxes, levied for capital improvements				4,238,352
State school aid, unrestricted				66,441,405
Interest and investment earnings				1,451,099
Other				<u>6,575,083</u>
Total General Revenues				<u>106,777,204</u>
Change in Net Position				16,353,696
Net Position - Beginning of Year				<u>(110,961,478)</u>
Net Position - End of Year				<u>\$ (94,607,782)</u>

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

BALANCE SHEET

GOVERNMENTAL FUNDS

ROCKFORD PUBLIC SCHOOLS
June 30, 2024

	General	2023 Construction	Nonmajor	Total
Assets				
Cash	\$ 1,250	\$ -	\$ 1,500	\$ 2,750
Cash equivalents and investments (Note B)	13,412,876	33,979,620	13,458,378	60,850,874
Accounts receivable	72,602	-	4,444	77,046
Due from other funds (Note D)	380,067	-	109,345	489,412
Due from other governmental units (Note C)	17,968,503	-	-	17,968,503
Inventory	18,628	-	33,142	51,770
Prepaid expenditures	3,653	-	-	3,653
Total Assets	\$ 31,857,579	\$ 33,979,620	\$ 13,606,809	\$ 79,444,008
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 1,164,558	\$ 7,729,807	\$ 108,221	\$ 9,002,586
Due to other funds (Note D)	109,345	-	380,067	489,412
Due to other governmental units	4,469,175	-	-	4,469,175
Payroll withholdings payable	130,584	-	-	130,584
Salaries payable	4,514,168	-	-	4,514,168
Unearned revenue	1,509,097	-	-	1,509,097
Total Liabilities	11,896,927	7,729,807	488,288	20,115,022
Fund Balances (Note A)				
Nonspendable				
Inventory	18,628	-	33,142	51,770
Prepaid expenditures	3,653	-	-	3,653
Restricted				
Food service	-	-	1,192,584	1,192,584
Public purpose trust	-	-	234,335	234,335
Student/school activity	-	-	954,003	954,003
Debt service	-	-	4,591,048	4,591,048
Capital projects	-	26,249,813	6,113,409	32,363,222
Unassigned	19,938,371	-	-	19,938,371
Total Fund Balances	19,960,652	26,249,813	13,118,521	59,328,986
Total Liabilities and Fund Balances	\$ 31,857,579	\$ 33,979,620	\$ 13,606,809	\$ 79,444,008

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES

ROCKFORD PUBLIC SCHOOLS
June 30, 2024

Total governmental fund balances \$ 59,328,986

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 \$300,634,796
and accumulated depreciation is \$112,322,511. 188,312,285

Bond refunding losses are not expensed but are amortized
over the life of the new bond issue on the Statement of
Activities. 729,958

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	\$ (176,965,000)	
Bond premium	(23,360,833)	
Early retirement incentive	(599,735)	
Accumulated sick leave	<u>(534,579)</u>	(201,460,147)

Accrued interest on long-term debt is not included as a liability
in governmental funds. (1,513,178)

Net pension liability and related deferred outflows/inflows of
resources are not included as assets/liabilities in governmental
funds:

Net pension liability	(162,133,608)	
Deferred outflows of resources	47,629,703	
Deferred inflows of resources	<u>(16,487,832)</u>	(130,991,737)

Net OPEB asset and related deferred outflows/inflows of
resources are not included as assets/liabilities in governmental
funds:

Net OPEB asset	2,811,715	
Deferred outflows of resources	10,387,623	
Deferred inflows of resources	<u>(22,213,287)</u>	(9,013,949)

Total net position - governmental activities \$ (94,607,782)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

ROCKFORD PUBLIC SCHOOLS
For the year ended June 30, 2024

	General	2023 Construction	Nonmajor	Total
Revenues				
Local sources	\$ 14,445,249	\$ 3,005,778	\$ 22,552,078	\$ 40,003,105
State sources	88,865,963	-	2,705,151	91,571,114
Federal sources	8,269,220	-	1,326,687	9,595,907
Interdistrict sources	7,726,358	-	-	7,726,358
Total Revenues	119,306,790	3,005,778	26,583,916	148,896,484
Expenditures				
Current:				
Instruction	65,296,176	-	-	65,296,176
Supporting services	44,437,792	940,723	2,024,960	47,403,475
Food service	-	-	4,497,128	4,497,128
Community services	4,295,827	-	-	4,295,827
Capital outlay	472,475	49,111,418	43,694	49,627,587
Debt service:				
Principal repayment	-	-	9,100,000	9,100,000
Interest and fiscal charges	-	-	8,481,917	8,481,917
Bond issuance costs	-	1,273	137,193	138,466
Underwriter's discount	-	-	82,161	82,161
Total Expenditures	114,502,270	50,053,414	24,367,053	188,922,737
Excess (Deficiency) of Revenues Over Expenditures	4,804,520	(47,047,636)	2,216,863	(40,026,253)
Other Financing Sources (Uses)				
Proceeds from debt refundings	-	-	20,800,000	20,800,000
Premium on debt refundings	-	-	2,090,324	2,090,324
Transfers in	-	-	4,132	4,132
Transfers out	(1,000)	-	(3,132)	(4,132)
Payments to escrow agent	-	-	(23,265,681)	(23,265,681)
Total Other Financing Sources (Uses)	(1,000)	-	(374,357)	(375,357)
Net Change in Fund Balances	4,803,520	(47,047,636)	1,842,506	(40,401,610)
Fund Balances, Beginning of Year	15,157,132	73,297,449	11,276,015	99,730,596
Fund Balances, End of Year	\$ 19,960,652	\$ 26,249,813	\$ 13,118,521	\$ 59,328,986

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

ROCKFORD PUBLIC SCHOOLS
For the year ended June 30, 2024

Net change in fund balances - total governmental funds \$ (40,401,610)

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	\$ 37,279,065	
Depreciation expense	<u>(6,295,857)</u>	30,983,208

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. (9,126)

Bond refunding losses are amortized over the life of the new bond issue on the Statement of Activities. 25,955

Bond premium is amortized over the life of the new bond issue on the Statement of Activities. 4,395,552

Proceeds from the sale of bonds and bond premiums area an other financing source in the governmental funds, but increase long-term obligations in the Statement of Net Position:

General obligation bonds	(20,800,000)	
Bond premium	<u>(2,090,324)</u>	(22,890,324)

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:
General obligation bonds 9,100,000

Advance refunding of bonds are included in payments to the escrow agent, and are an other financing use in the governmental funds. 22,940,000

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (Cont.)

ROCKFORD PUBLIC SCHOOLS
For the year ended June 30, 2024

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.	\$ (231,677)
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 exceeds the amount of benefits used/paid.	(64,897)
The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	3,618,619
The changes in net OPEB asset and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	<u>8,887,996</u>
Total changes in net position - governmental activities	<u><u>\$ 16,353,696</u></u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL – GENERAL FUND

ROCKFORD PUBLIC SCHOOLS
For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Local sources	\$ 12,777,763	\$ 13,377,414	\$ 14,445,249	\$ 1,067,835
State sources	84,418,764	88,469,575	88,865,963	396,388
Federal sources	7,423,651	8,150,730	8,269,220	118,490
Interdistrict sources	7,544,549	7,532,004	7,726,358	194,354
Total Revenues	112,164,727	117,529,723	119,306,790	1,777,067
Expenditures				
Instruction:				
Basic programs	54,170,965	55,428,388	55,999,665	(571,277)
Added needs	9,541,011	10,652,835	8,947,479	1,705,356
Adult education	519,146	311,230	349,032	(37,802)
Supporting services:				
Pupil services	6,207,434	7,361,603	7,315,029	46,574
Instructional staff services	5,495,237	5,542,109	6,610,952	(1,068,843)
General administrative services	906,194	990,254	1,038,306	(48,052)
School administrative services	6,086,541	6,298,705	6,194,575	104,130
Business services	1,910,790	2,122,787	2,140,801	(18,014)
Operation and maintenance services	9,612,383	10,540,474	10,596,399	(55,925)
Pupil transportation services	5,167,908	5,300,594	5,190,198	110,396
Central services	3,402,160	3,739,484	3,126,405	613,079
Other supporting services	1,797,860	1,843,970	2,225,127	(381,157)
Community services	4,840,437	5,455,936	4,295,827	1,160,109
Capital outlay	-	-	472,475	(472,475)
Debt service	13,642	13,642	-	13,642
Total Expenditures	109,671,708	115,602,011	114,502,270	1,099,741
Excess (Deficiency) of Revenues Over Expenditures	2,493,019	1,927,712	4,804,520	2,876,808
Other Financing Sources (Uses)				
Transfers out	-	-	(1,000)	(1,000)
Net Change in Fund Balances	2,493,019	1,927,712	4,803,520	2,875,808
Fund Balances, Beginning of Year	15,157,132	15,157,132	15,157,132	-
Fund Balances, End of Year	\$ 17,650,151	\$ 17,084,844	\$ 19,960,652	\$ 2,876,808

NOTES TO BASIC FINANCIAL STATEMENTS

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 7,654 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*.

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 2023 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 separately.

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.

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 *2023 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 fund is retained until the purpose for which the fund was 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 the 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.

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 Funds. 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.

The District incurred expenditures in excess of the final budgeted appropriations at the function level in the General Fund, Food Service Special Revenue Fund, and the Student/School Activity Special Revenue Fund. See page 22 for the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, and pages 72 and 74 for the Food Service and Student/School Activity Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, respectively.

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.

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.

10. Early Retirement Incentive/Accumulated Sick Leave

Early retirement incentive and accumulated sick leave at June 30, 2024 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, 2024, 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 \$599,735 and \$534,579, 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 (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS 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 other postemployment benefits (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.

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 asset 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).

- 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, 2024, 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.

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, 2024 related to cash equivalents and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Position:

Governmental Activities	<u>\$ 60,850,874</u>
-------------------------	----------------------

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.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS
June 30, 2024

June 30, 2024 balances are detailed as follows:

Cash equivalents	<u>\$ 718,375</u>
------------------	-------------------

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 deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents was \$718,375 and bank balance was \$718,375. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$468,375 was uninsured and uncollateralized. The District has no policy to address Custodial Credit Risk.

Investments

As of June 30, 2024, the District had the following investments:

Surplus Funds Investment Pool Accounts:	
MILAF+ Cash Management Class	\$ 1,494,475
MILAF+ MAX Class	58,638,024
	<u>\$ 60,132,499</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, 2024. The MILAF+ is carried at net amortized value (NAV) and is rated AAA 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, 2024, 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.

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 2023 and October 2023. The 2023-24 "Foundation Allowance" for Rockford Public Schools was \$9,608 for 7,664 "Full Time Equivalent" students, generating \$90,865,992 in state aid payments to the District of which \$16,670,188 was paid to the District in July and August 2024 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 2022) approved a ten-year operating millage extension, 18 mills of non-homestead property tax was levied in the District for 2023.

The District levied 0.9125, 7.00, and 0.4794 mills in 2023 for recreational, debt service, and building and site purposes, respectively, applied on all taxable property in the District.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

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, 2024, the District's property tax revenues were reduced by approximately \$28,170 under these agreements.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

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, 2024, are detailed as follows:

	Due From	Due To
Major Funds		
General Fund:		
Special Revenue Funds:		
Food Service	\$ 379,809	\$ 51,223
Student/School Activity	258	58,122
Total Major Funds	380,067	109,345
Nonmajor Funds		
Special Revenue Funds:		
Food Service:		
General Fund	51,223	379,809
Student/School Activity:		
General Fund	58,122	258
Total Nonmajor Funds	109,345	380,067
Total All Funds	\$ 489,412	\$ 489,412

Operating transfers between funds to allocate expenditures during the year ended June 30, 2024 were as follows:

	Transfers In	Transfers Out
Major Fund		
General Fund:		
Capital Project Fund:		
Public Act 10	\$ -	\$ 1,000
Nonmajor Funds		
Debt Service Funds:		
2022 Debt:		
2014 Debt	-	3,132
2014 Debt:		
2022 Debt	3,132	-
Capital Project Fund:		
Public Act 10:		
General Fund	1,000	-
Total Nonmajor Funds	4,132	3,132
Total All Funds	\$ 4,132	\$ 4,132

Transfers made during the year ended June 30, 2024 were for the purpose of allocating expenditures to the appropriate funds.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

Note E – Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balances July 1, 2023	Additions	Deductions	Balances June 30, 2024
Capital assets not being depreciated:				
Land	\$ 2,093,127	\$ 200,000	\$ -	\$ 2,293,127
Construction in progress	34,682,616	34,588,934	21,313,838	47,957,712
Total capital assets not being depreciated	36,775,743	\$ 34,788,934	\$ 21,313,838	50,250,839
Capital assets being depreciated and amortized:				
Land improvements	22,666,628	\$ 6,324,001	\$ -	28,990,629
Buildings and improvements	175,951,909	15,420,671	-	191,372,580
Furniture and equipment	22,279,004	1,080,687	-	23,359,691
Vehicles	5,957,700	978,610	275,253	6,661,057
Total capital assets being depreciated	226,855,241	\$ 23,803,969	\$ 275,253	250,383,957
Less accumulated depreciation for:				
Land improvements	12,432,157	\$ 910,583	\$ -	13,342,740
Buildings and improvements	73,600,910	4,200,781	-	77,801,691
Furniture and equipment	17,459,563	705,328	-	18,164,891
Vehicles	2,800,151	479,165	266,127	3,013,189
Total accumulated depreciation and amortization	106,292,781	\$ 6,295,857	\$ 266,127	112,322,511
Total capital assets being depreciated and amortized, net	120,562,460			138,061,446
Net Capital Assets	\$ 157,338,203			\$ 188,312,285

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	\$ 4,066,465
Supporting services	2,070,700
Community services	3,824
Food service	134,504
Unallocated	20,364
	<u>\$ 6,295,857</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.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

Note F – Short-term Debt

On August 21, 2023, the District repaid the \$1,200,000 State aid anticipation loan, dated August 20, 2022.

	Debt Outstanding July 1, 2023	Debt Added	Debt Retired	Debt Outstanding June 30, 2024
State aid anticipation loan	\$ 1,200,000	\$ -	\$ 1,200,000	\$ -

Note G – Long-term Obligations

Changes in long-term obligations for the year ended June 30, 2024 are summarized as follows:

	Debt Outstanding July 1, 2023	Debt Added	Debt Retired	Debt Outstanding June 30, 2024
General obligation bonds:				
June 3, 2014	\$ 18,510,000	\$ -	\$ 18,510,000	\$ -
February 6, 2015	7,865,000	-	7,865,000	-
June 6, 2016	25,215,000	-	530,000	24,685,000
June 6, 2016	29,535,000	-	510,000	29,025,000
June 26, 2019	34,930,000	-	250,000	34,680,000
May 18, 2023	72,150,000	-	4,375,000	67,775,000
February 22, 2024	-	20,800,000	-	20,800,000
Bond premium	25,666,061	2,090,324	4,395,552	23,360,833
Early retirement incentive	564,711	35,024	-	599,735
Accumulated sick leave	504,706	29,873	-	534,579
	<u>\$ 214,940,478</u>	<u>\$ 22,955,221</u>	<u>\$ 36,435,552</u>	<u>\$ 201,460,147</u>

On February 22, 2024, the District issued \$20,800,000 in general obligation bonds, including a premium of \$2,090,324, and used Debt Service Fund contributions of \$595,000, to advance refund \$17,110,000 of outstanding 2014 School Building and Site, Series I bonds, and \$5,830,000 of outstanding 2015 Refunding bonds. The true interest cost of the 2024 Refunding bonds was 2.952408%, resulting in a total net present value savings of \$1,966,115 (8.570687%).

The net proceeds of \$23,265,681; after underwriter's discount of \$82,161, bond issuance costs of \$137,193, and additional uses of funds of \$289, were deposited with an escrow agent and used to retire the outstanding bond obligations. 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 May 1, 2024 from the escrow account.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

Long-term obligations outstanding at June 30, 2024 are comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
\$27,440K 2016 Refunding, Series B:				
Annual maturities of \$815K to \$3,890K	May 1, 2033	4.00 - 5.00%	\$ 24,685,000	\$ 815,000
\$35,070K 2016 Building and Site:				
Annual maturities of \$540K to \$2,075K	May 1, 2044	4.00 - 5.00	29,025,000	540,000
\$48,665K 2019 Building and Site, Series I:				
Annual maturities of \$250K to \$3,120K	May 1, 2046	4.00 - 5.00	34,680,000	250,000
\$72,150K 2023 Building and Site, Series II:				
Annual maturities of \$340K to \$4,585K	May 1, 2049	5.00	67,775,000	4,585,000
\$20,800K 2024 Refunding:				
Annual maturities of \$1,265K to \$3,390K	May 1, 2035	5.00	20,800,000	3,220,000
Bond premium			23,360,833	1,320,646
Other Obligations				
Early retirement incentive - contractual			599,735	100,000
Accumulated sick leave			534,579	75,000
			<u>\$ 201,460,147</u>	<u>\$ 10,905,646</u>

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

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

Years Ending June 30	Principal	Interest	Total
2025	\$ 9,410,000	\$ 8,879,733	\$ 18,289,733
2026	5,610,000	8,209,900	13,819,900
2027	5,340,000	7,929,400	13,269,400
2028	5,910,000	7,662,400	13,572,400
2029	6,295,000	7,407,450	13,702,450
2030	6,575,000	7,092,700	13,667,700
2031	7,245,000	6,763,950	14,008,950
2032	7,925,000	6,401,700	14,326,700
2033	8,325,000	6,005,450	14,330,450
2034	7,745,000	5,589,200	13,334,200
2035	8,130,000	5,201,950	13,331,950
2036	6,885,000	4,813,000	11,698,000
2037	7,210,000	4,487,050	11,697,050
2038	7,555,000	4,145,600	11,700,600
2039	7,910,000	3,788,400	11,698,400
2040	8,285,000	3,416,200	11,701,200
2041	8,610,000	3,001,950	11,611,950
2042	8,895,000	2,600,000	11,495,000
2043	8,905,000	2,155,250	11,060,250
2044	8,930,000	1,710,000	10,640,000
2045	6,925,000	1,263,500	8,188,500
2046	6,925,000	917,250	7,842,250
2047	3,805,000	571,000	4,376,000
2048	3,805,000	380,750	4,185,750
2049	<u>3,810,000</u>	<u>190,500</u>	<u>4,000,500</u>
	<u>\$ 176,965,000</u>	<u>\$ 110,584,283</u>	<u>\$ 287,549,283</u>

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 plan and fiduciary component unit of 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 & 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.

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 age and service requirements range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by .50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age. The System also provides disability and survivor benefits to DB plan members.

Certain employees have the option to participate in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

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.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

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 cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022 valuation will be amortized over a 16-year period beginning October 1, 2022 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for the plan fiscal year ended September 30, 2023.

Pension Contribution Rates:			
Plan Name	Plan Status	Member	District
Basic	Closed	0.0 – 4.0 %	20.16%
Member Investment Plan (MIP)	Closed	3.0 – 7.0%	20.16%
Pension Plus	Closed	3.0 – 6.4 %	17.24%
Pension Plus 2	Open	6.2%	19.95%
Defined Contribution	Open	0.0%	13.75%

The District's contributions to MPERS under all pension plans for the year ended June 30, 2024 inclusive of the MSPERS UAAL Stabilization, totaled \$19,849,411.

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

As of June 30, 2024, the District reported a liability of \$162,133,608 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2022. 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. As of September 30, 2023 the District's proportion was 0.50093702%, which was an increase from 0.50073770% at September 30, 2022.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

For the year ended June 30, 2024 the District recognized pension expense of \$20,974,276. As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,118,063	\$ 248,363
Changes of assumptions	21,969,842	12,667,311
Net difference between projected and actual earnings on pension plan investments	—	3,317,778
Changes in proportion and differences between District contributions and proportionate share of contributions	2,234,657	254,380
District contributions subsequent to the measurement date*	18,307,141	—
Total	\$ 47,629,703	\$ 16,487,832

* 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, 2025.

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 Ending June 30	Amount
2025	\$ 4,429,227
2026	3,378,319
2027	7,379,822
2028	(2,352,638)

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, 2022
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	
MIP and Basic Plans (Non-Hybrid):	6.00% net of investment expenses
Pension Plus Plan (Hybrid):	6.00% 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:	PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Active Members:	PubT-2010 Male and Female Employee Mortality Tables scaled by 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2023 is based on the results of an actuarial valuation date of September 30, 2022 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: [4.4406 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at (www.michigan.gov/orsschools).

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

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, 2023 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.8%
Private Equity Pools	16.0%	9.6%
International Equity	15.0%	6.8%
Fixed Income Pools	13.0%	1.3%
Real Estate and Infrastructure Pools	10.0%	6.4%
Absolute Return Pools	9.0%	4.8%
Real Return/Opportunistic Pools	10.0%	7.3%
Short-term Investment Pools	2.0%	0.3%
Total	100.0%	

*Long-term rates of return are net of administrative expenses and 2.7% inflation.

Rate of Return

For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.29%. 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 6.00% was used to measure the total pension liability (6.00% for the Pension Plus Plan , 6.00% for the Pension Plus 2 Plan, 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 6.00% (6.00% for the Pension Plus Plan, 6.00% 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.

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 6.00% (6.00% for the Pension Plus plan, 6.00% 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 5.00%	Current Discount Rate Assumption 6.00%	1% Increase 7.00%
District's proportionate share of the net pension liability	\$ 219,042,029	\$ 162,133,608	\$ 114,755,289

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, 2023 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 \$2,493,691 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. The payables are included in the "Due to Other Governmental Units" at June 30, 2024.

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 and a fiduciary component unit of 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.

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 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.

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.

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 cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022 valuation will be amortized over a 16-year period beginning October 1, 2022 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2023:

OPEB Contribution Rates:

Benefit Structure	Member	District
Premium Subsidy	3.0%	8.07%
Personal Healthcare Fund (PHF)	0.0 %	7.21%

Required contributions to the OPEB plan from the District were \$4,155,856 for the year ended June 30, 2024.

OPEB Assets, OPEB Credit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2024, the District reported an asset of \$2,811,715 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2023, and the total OPEB liability (asset) used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2022. The District's proportion of the net OPEB asset 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. As of September 30, 2023 the District's proportion was 0.49703438%, which was a decrease from 0.49766051% at September 30, 2022.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

For the year ended June 30, 2024, the District recognized a net OPEB credit of \$4,833,339. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ 21,246,767
Changes of assumptions	6,259,369	753,746
Net difference between projected and actual earnings on OPEB plan investments	8,573	—
Changes in proportion and differences between District contributions and proportionate share of contributions	589,068	212,774
District contributions subsequent to the measurement date*	3,530,613	—
Total	\$ 10,387,623	\$ 22,213,287

* 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, 2025.

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 Ending June 30	Amount
2025	\$ (5,120,098)
2026	(4,671,146)
2027	(1,728,009)
2028	(1,736,226)
2029	(1,386,381)
Thereafter	(714,417)

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.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2022
Actuarial Cost Method:	Entry Age, Normal
Asset Valuation Method:	Fair Value
Wage Inflation Rate:	2.75%
Investment Rate of Return:	6.00% net of investment expense
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Healthcare Cost Trend Rate:	Pre-65 - 7.50% Year 1 graded to 3.5% Year 15 Post-65 - 6.25% Year 1 graded to 3.5% Year 15

Mortality:

Retirees: PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Active Members: PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

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 2017 through 2022 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2023 valuation. The total OPEB liability (asset) as of September 30, 2023 is based on the results of an actuarial valuation date of September 30, 2022 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: [6.5099 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

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, 2023, are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.8%
Private Equity Pools	16.0%	9.6%
International Equity	15.0%	6.8%
Fixed Income Pools	13.0%	1.3%
Real Estate and Infrastructure Pools	10.0%	6.4%
Absolute Return Pools	9.0%	4.8%
Real Return/Opportunistic Pools	10.0%	7.3%
Short-term Investment Pools	2.0%	0.3%
Total	100.0%	

* Long-term rates of return are net of administrative expenses and 2.7% inflation.

Rate of Return

For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 7.94%. 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 6.00% was used to measure the total OPEB asset. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. 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 asset.

NOTES TO BASIC FINANCIAL STATEMENTS

ROCKFORD PUBLIC SCHOOLS

June 30, 2024

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

The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 6.00 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
District's proportionate share of the net OPEB liability (asset)	\$ 2,914,905	\$ (2,811,715)	\$ (7,733,184)

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability (asset)	\$ (7,745,455)	\$ (2,811,715)	\$ 2,528,207

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2023 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 \$337,886 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. The payables are included in the "Due to Other Governmental Units" at June 30, 2024.

Note J – Risk Management and Employee 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.

The District is a member of the Michigan School Insurance Programs (MSIP), a self-insurance program with districts pooling together to insure property including equipment breakdown, liability, crime, auto, educators legal liability and cyber liability 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 \$1,350,000, respectively, on an annual basis. Excess insurance has been purchased to cover claims exceeding those amounts. A \$5,000 per occurrence deductible for property losses is maintained. The Auto Physical Damage for Vehicles deductible amount is \$1,000. The District paid \$476,638 in premiums to the MSIP for the year ended June 30, 2024.

MSIP also allows the District to purchase their Workers Compensation coverage through a Guaranteed Cost Group Purchase Program. The carrier, Accident Fund, picks up all Workers Compensation claims from the ground up and handles the claim processing and management. As of June 30, 2024, there were no material pending claims against the District. The District paid \$147,504 in premiums and program fees to the Group for the year ended June 30, 2024.

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 2023-24 fiscal year.

Note K – Stewardship, Compliance and Accountability

The District has an unrestricted net position deficit of \$121,179,348 and a total net position deficit of \$94,607,782 as of June 30, 2024. These deficit net positions result primarily from the net pension liability of \$130,991,737 (net of deferred outflows and deferred inflows of resources related to the pension plan) and a net OPEB liability of \$9,013,949 (net of deferred outflows and deferred inflows of resources related to the OPEB plan).

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, 2024, unspent balances committed to these construction projects totaled \$1,196,407, which are expected to be fully expended by the year ended June 30, 2025.

On May 18, 2023, the District issued \$72,150,000 of general obligation 2023 Construction bonds whose proceeds are being used for land improvements, building renovations and additions, and furniture and equipment purchases. At June 30, 2024, unspent balances committed to these construction projects totaled \$26,249,813, which are expected to be fully expended by the year ended June 30, 2026.

This Page Intentionally Left Blank

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT PROPORTIONATE SHARE OF THE NET PENSION LIABILITY MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN

**ROCKFORD PUBLIC SCHOOLS
June 30, 2024**

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>
District's proportion of the net pension liability	0.50093702%	0.50073770%	0.48974153%
District's proportionate share of the net pension liability	\$ 162,133,608	\$ 188,321,036	\$ 115,948,327
District's covered-employee payroll	\$ 52,437,853	\$ 48,975,588	\$ 44,671,608
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	309.19%	384.52%	259.56%
Plan fiduciary net position as a percentage of the total pension liability	65.91%	60.77%	72.60%

Note: The amounts presented for each of the last ten fiscal years were determined as of September 30 of the preceding year.

<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>	<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>
0.48553440%	0.49065397%	0.48985930%	0.48635468%	0.49846335%	0.48283576%	0.47302115%
\$ 166,786,348	\$ 162,488,098	\$ 147,260,549	\$ 126,035,173	\$ 124,362,527	\$ 117,932,764	\$ 104,190,018
\$ 42,977,837	\$ 42,480,969	\$ 42,241,261	\$ 39,898,626	\$ 42,356,434	\$ 40,229,246	\$ 40,397,194
388.08%	382.50%	348.62%	315.89%	293.61%	293.15%	257.91%
59.72%	60.31%	62.36%	63.96%	63.01%	62.92%	66.15%

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN**

ROCKFORD PUBLIC SCHOOLS
June 30, 2024

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>
District's proportion of the net OPEB liability (asset)	0.49703438%	0.49766051%	0.49160586%
District's proportionate share of the net OPEB liability (asset)	\$ (2,811,715)	\$ 10,540,761	\$ 7,503,763
District's covered-employee payroll	\$ 52,437,853	\$ 48,975,588	\$ 44,671,608
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(5.36%)	21.52%	16.80%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	105.04%	83.09%	87.33%

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, 2021</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
0.48366730%	0.48545280%	0.49587331%	0.48646825%
\$ 25,911,349	\$ 34,844,579	\$ 39,416,730	\$ 43,079,055
\$ 42,977,837	\$ 42,480,969	\$ 42,241,261	\$ 39,898,626
60.29%	82.02%	93.31%	107.97%
59.44%	48.46%	42.95%	36.53%

**SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN**

**ROCKFORD PUBLIC SCHOOLS
June 30, 2024**

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>
Contractually required contribution	\$ 19,849,411	\$ 17,634,568	\$ 16,731,388	\$ 14,849,284
Contributions in relation to the contractually required contribution	<u>19,849,411</u>	<u>17,634,568</u>	<u>16,731,388</u>	<u>14,849,284</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 52,623,785	\$ 49,537,379	\$ 46,558,764	\$ 44,271,971
Contributions as a percentage of covered employee payroll	37.72%	35.60%	35.94%	33.54%

Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
\$ 13,466,433	\$ 13,155,958	\$ 12,493,773	\$ 13,702,535	\$ 12,493,230	\$ 12,675,872
13,466,433	13,155,958	12,493,773	13,702,535	12,493,230	12,675,872
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 42,962,049	\$ 42,307,755	\$ 42,136,916	\$ 40,944,291	\$ 40,605,013	\$ 40,390,791
31.34%	31.10%	29.65%	33.47%	30.77%	31.38%

**SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN**

**ROCKFORD PUBLIC SCHOOLS
June 30, 2024**

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>
Contractually required contribution	\$ 4,155,856	\$ 3,663,134	\$ 3,861,559
Contributions in relation to the contractually required contribution	<u>4,155,856</u>	<u>3,663,134</u>	<u>3,861,559</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 52,623,785	\$ 49,537,379	\$ 46,558,764
Contributions as a percentage of covered employee payroll	7.90%	7.39%	8.29%

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.

Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
\$ 3,617,969	\$ 3,442,964	\$ 3,393,064	\$ 3,123,745
3,617,969	3,442,964	3,393,064	3,123,745
\$ -	\$ -	\$ -	\$ -
\$ 44,271,971	\$ 42,962,049	\$ 42,307,755	\$ 42,136,916
8.17%	8.01%	8.02%	7.41%

Note A – Net Pension Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2023-24.

Changes of assumptions: There were no changes of benefit assumptions in 2023-24.

Note B – Net OPEB Liability (Asset) and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2023-24.

Changes of assumptions: There were no changes of benefit assumptions in 2023-24.

SUPPLEMENTARY INFORMATION

This Page Intentionally Left Blank

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

**ROCKFORD PUBLIC SCHOOLS
June 30, 2024**

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash	\$ 1,500	\$ -	\$ -	\$ 1,500
Investments	2,753,921	4,591,048	6,113,409	13,458,378
Accounts receivable	4,444	-	-	4,444
Due from other funds	109,345	-	-	109,345
Inventory	33,142	-	-	33,142
Total Assets	<u>\$ 2,902,352</u>	<u>\$ 4,591,048</u>	<u>\$ 6,113,409</u>	<u>\$ 13,606,809</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 108,221	\$ -	\$ -	\$ 108,221
Due to other funds	380,067	-	-	380,067
Total Liabilities	<u>488,288</u>	<u>-</u>	<u>-</u>	<u>488,288</u>
Fund Balances				
Nonspendable	33,142	-	-	33,142
Restricted	2,380,922	4,591,048	6,113,409	13,085,379
Total Fund Balances	<u>2,414,064</u>	<u>4,591,048</u>	<u>6,113,409</u>	<u>13,118,521</u>
Total Liabilities and Fund Balances	<u>\$ 2,902,352</u>	<u>\$ 4,591,048</u>	<u>\$ 6,113,409</u>	<u>\$ 13,606,809</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS

ROCKFORD PUBLIC SCHOOLS
For the year ended June 30, 2024

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Local sources:				
Property taxes	\$ -	\$ 18,107,299	\$ 1,237,625	\$ 19,344,924
Interest earnings	79,669	495,584	287,542	862,795
Food sales	661,602	-	-	661,602
Other local sources	1,679,255	1,192	2,310	1,682,757
Total local sources	2,420,526	18,604,075	1,527,477	22,552,078
State sources	2,515,757	189,394	-	2,705,151
Federal sources	1,326,687	-	-	1,326,687
Total Revenues	6,262,970	18,793,469	1,527,477	26,583,916
Expenditures				
Current:				
Supporting services	2,024,960	-	-	2,024,960
Food service	4,497,128	-	-	4,497,128
Capital outlay	-	-	43,694	43,694
Debt service:				
Principal repayment	-	9,100,000	-	9,100,000
Interest and fiscal charges	-	8,481,917	-	8,481,917
Bond issuance costs	-	137,193	-	137,193
Underwriter's discount	-	82,161	-	82,161
Total Expenditures	6,522,088	17,801,271	43,694	24,367,053
Excess (Deficiency) of Revenues Over Expenditures	(259,118)	992,198	1,483,783	2,216,863
Other Financing Sources (Uses)				
Proceeds from refinancing debt	-	20,800,000	-	20,800,000
Premium on refinancing debt	-	2,090,324	-	2,090,324
Transfers in	-	3,132	1,000	4,132
Transfers out	-	(3,132)	-	(3,132)
Payments to escrow agent	-	(23,265,681)	-	(23,265,681)
Total Other Financing Sources (Uses)	-	(375,357)	1,000	(374,357)
Net Change in Fund Balances	(259,118)	616,841	1,484,783	1,842,506
Fund Balances, Beginning of Year	2,673,182	3,974,207	4,628,626	11,276,015
Fund Balances, End of Year	\$ 2,414,064	\$ 4,591,048	\$ 6,113,409	\$ 13,118,521

This Page Intentionally Left Blank

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.

COMBINING BALANCE SHEET **NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**

ROCKFORD PUBLIC SCHOOLS
June 30, 2024 (with comparative totals as of June 30, 2023)

	Food Service	Public Purpose Trust	Student/School Activity
Assets			
Cash	\$ 1,500	\$ -	\$ -
Investments	1,623,447	234,335	896,139
Accounts receivable	4,444	-	-
Due from other funds	51,223	-	58,122
Inventory	33,142	-	-
Prepaid	-	-	-
Total Assets	\$ 1,713,756	\$ 234,335	\$ 954,261
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 108,221	\$ -	\$ -
Due to other funds	379,809	-	258
Total Liabilities	488,030	-	258
Fund Balances			
Nonspendable	33,142	-	-
Restricted	1,192,584	234,335	954,003
Total Fund Balances	1,225,726	234,335	954,003
Total Liabilities and Fund Balances	\$ 1,713,756	\$ 234,335	\$ 954,261

Totals	
2024	2023
\$ 1,500	\$ 1,500
2,753,921	2,660,822
4,444	642
109,345	163,447
33,142	25,404
-	3,275
\$ 2,902,352	\$ 2,855,090

\$ 108,221	\$ 7,298
380,067	174,610
488,288	181,908
33,142	28,679
2,380,922	2,644,503
2,414,064	2,673,182
\$ 2,902,352	\$ 2,855,090

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

ROCKFORD PUBLIC SCHOOLS

For the year ended June 30, 2024 (with comparative totals for the year ended June 30, 2023)

	Food Service	Public Purpose Trust	Student/School Activity
Revenues			
Local sources:			
Investment earnings	\$ 57,484	\$ 22,185	\$ -
Food Sales:			
Children's lunches	310	-	-
Adult lunches	12,473	-	-
Ala carte	423,039	-	-
Catering	225,780	-	-
Other local sources:			
Admissions	-	-	375,776
Merchandise sales	-	-	289,253
Donations	-	64,199	635,590
Miscellaneous	-	-	314,437
Total local sources	719,086	86,384	1,615,056
State sources	2,515,757	-	-
Federal sources	1,326,687	-	-
Total Revenues	4,561,530	86,384	1,615,056
Expenditures			
Current:			
Food service:			
Salaries	925,481	-	-
Employee benefits	787,043	-	-
Purchased services	166,114	-	-
Supplies	2,308,991	-	-
Capital outlay	297,213	-	-
Miscellaneous	12,286	-	-
Supporting services:			
Public purpose trust	-	354,261	-
Student/school activity	-	-	1,670,699
Total Expenditures	4,497,128	354,261	1,670,699
Net Change in Fund Balances	64,402	(267,877)	(55,643)
Fund Balances, Beginning of Year	1,161,324	502,212	1,009,646
Fund Balances, End of Year	\$ 1,225,726	\$ 234,335	\$ 954,003

Totals	
2024	2023
\$ 79,669	\$ 66,866
310	819,578
12,473	12,866
423,039	809,980
225,780	245,169
375,776	301,216
289,253	266,142
699,789	790,945
314,437	137,714
2,420,526	3,450,476
2,515,757	404,896
1,326,687	1,115,402
6,262,970	4,970,774
925,481	826,362
787,043	746,595
166,114	201,363
2,308,991	1,492,093
297,213	318,111
12,286	9,027
354,261	69,903
1,670,699	1,359,762
6,522,088	5,023,216
(259,118)	(52,442)
2,673,182	2,725,624
\$ 2,414,064	\$ 2,673,182

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – FOOD SERVICE SPECIAL REVENUE FUND

ROCKFORD PUBLIC SCHOOLS
For the year ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Local sources	\$ 690,339	\$ 719,086	\$ 28,747
State sources	155,391	2,515,757	2,360,366
Federal sources	3,607,424	1,326,687	(2,280,737)
Total Revenues	4,453,154	4,561,530	108,376
Expenditures			
Food service	4,368,897	4,497,128	(128,231)
Net Change in Fund Balances	84,257	64,402	(19,855)
Fund Balances, Beginning of Year	1,161,324	1,161,324	-
Fund Balances, End of Year	\$ 1,245,581	\$ 1,225,726	\$ (19,855)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – PUBLIC PURPOSE TRUST SPECIAL REVENUE FUND

ROCKFORD PUBLIC SCHOOLS
For the year ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Local sources	\$ 63,000	\$ 86,384	\$ 23,384
Expenditures			
Other supporting services	335,000	354,261	(19,261)
Net Change in Fund Balance	(272,000)	(267,877)	4,123
Fund Balance , Beginning of Year	502,212	502,212	-
Fund Balance , End of Year	\$ 230,212	\$ 234,335	\$ 4,123

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – STUDENT/SCHOOL ACTIVITY SPECIAL REVENUE FUND

ROCKFORD PUBLIC SCHOOLS
For the year ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Local sources	\$ 1,457,415	\$ 1,615,056	\$ 157,641
Expenditures			
Other supporting service	1,330,328	1,670,699	(340,371)
Net Change in Fund Balance	127,087	(55,643)	(182,730)
Fund Balance , Beginning of Year	1,009,646	1,009,646	-
Fund Balance , End of Year	\$ 1,136,733	\$ 954,003	\$ (182,730)

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.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS

ROCKFORD PUBLIC SCHOOLS
June 30, 2024 (with comparative totals as of June 30, 2023)

	2014	2015	2016
Assets			
Investments	\$ 393,692	\$ 460,827	\$ 1,415,851
Liabilities and Fund Balance			
Liabilities	\$ -	\$ -	\$ -
Fund Balance			
Restricted	393,692	460,827	1,415,851
Total Liabilities and Fund Balance	\$ 393,692	\$ 460,827	\$ 1,415,851

2019	2022	2023	Totals	
			2024	2023
\$ 872,261	\$ -	\$ 1,448,417	\$ 4,591,048	\$ 3,974,207
\$ -	\$ -	\$ -	\$ -	\$ -
872,261	-	1,448,417	4,591,048	3,974,207
\$ 872,261	\$ -	\$ 1,448,417	\$ 4,591,048	\$ 3,974,207

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS

ROCKFORD PUBLIC SCHOOLS

For the year ended June 30, 2024 (with comparative totals for the year ended June 30, 2023)

	2014	2015	2016
Revenues			
Local sources:			
Property taxes	1,035,673	\$ 2,069,830	\$ 3,932,062
Investment earnings	82,511	76,020	111,330
Other local sources	1,039	153	-
Total local sources	1,119,223	2,146,003	4,043,392
State sources	10,822	21,646	41,125
Total Revenues	1,130,045	2,167,649	4,084,517
Expenditures			
Debt service:			
Principal repayment	1,400,000	2,035,000	1,040,000
Interest and fiscal charges:			
Interest expense	488,975	247,500	2,686,550
Paying agent fees	742	-	501
Tax refunds	1,294	479	656
Bond issuance costs	100,322	36,871	-
Underwriter's discount	60,080	22,081	-
Total Expenditures	2,051,413	2,341,931	3,727,707
Excess (Deficiency) of Revenues Over Expenditures	(921,368)	(174,282)	356,810
Other Financing Sources (Uses)			
Proceeds from refinancing debt	15,210,000	5,590,000	-
Premium on refinancing debt	1,851,548	238,776	-
Transfers in	3,132	-	-
Transfers out	-	-	-
Payment to bond escrow agent	(17,350,704)	(5,914,977)	-
Total Other Financing Sources (Uses)	(286,024)	(86,201)	-
Net Change in Fund Balance	(1,207,392)	(260,483)	356,810
Fund Balance, Beginning of Year	1,601,084	721,310	1,059,041
Fund Balance, End of Year	\$ 393,692	\$ 460,827	\$ 1,415,851

2019	2022	2023	Totals	
			2024	2023
\$ 2,070,071	\$ -	\$ 8,999,663	\$ 18,107,299	\$ 16,481,653
58,475	4	167,244	495,584	319,846
-	-	-	1,192	-
2,128,546	4	9,166,907	18,604,075	16,801,499
21,646	-	94,155	189,394	183,106
2,150,192	4	9,261,062	18,793,469	16,984,605
250,000	-	4,375,000	9,100,000	8,815,000
1,616,700	-	3,437,146	8,476,871	5,917,048
500	-	499	2,242	1,797
375	-	-	2,804	617
-	-	-	137,193	-
-	-	-	82,161	-
1,867,575	-	7,812,645	17,801,271	14,734,462
282,617	4	1,448,417	992,198	2,250,143
-	-	-	20,800,000	-
-	-	-	2,090,324	-
-	-	-	3,132	794,819
-	(3,132)	-	(3,132)	(794,819)
-	-	-	(23,265,681)	-
-	(3,132)	-	(375,357)	-
282,617	(3,128)	1,448,417	616,841	2,250,143
589,644	3,128	-	3,974,207	1,724,064
\$ 872,261	\$ -	\$ 1,448,417	\$ 4,591,048	\$ 3,974,207

This Page Intentionally Left Blank

CAPITAL PROJECTS FUNDS

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

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

Public Act 10 Capital Projects Fund – To account for the prevailing wage exemption under Public Act 10 of 2023.

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS

ROCKFORD PUBLIC SCHOOLS
June 30, 2024 (with comparative totals as of June 30, 2023)

	Public Act 10	Building and Site Sinking	2019 Construction
Assets			
Investments	\$ 1,016	\$ 4,915,986	\$ 1,196,407
Due from other funds	-	-	-
Total Assets	\$ 1,016	\$ 4,915,986	\$ 1,196,407
Liabilities and Fund Balance			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Fund Balance			
Restricted	1,016	4,915,986	1,196,407
Total Liabilities and Fund Balance	\$ 1,016	\$ 4,915,986	\$ 1,196,407

Totals	
2024	2023
\$ 6,113,409	\$ 4,501,228
-	572,212
<u>\$ 6,113,409</u>	<u>\$ 5,073,440</u>

\$ -	\$ 444,814
------	------------

6,113,409	4,628,626
<u>\$ 6,113,409</u>	<u>\$ 5,073,440</u>

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS

ROCKFORD PUBLIC SCHOOLS

For the year ended June 30, 2024 (with comparative totals for the year ended June 30, 2023)

	Public Act 10	Building and Site Sinking	2019 Construction
Revenues			
Local sources:			
Property taxes	\$ -	\$ 1,237,625	\$ -
Investment earnings	17	230,329	57,196
Other local sources	-	-	2,310
Total Revenues	17	1,467,954	59,506
Expenditures			
Current:			
Supporting services:			
Operating buildings purchased services	-	-	-
Pupil transportation school buses	-	-	-
Capital outlay:			
Site acquisition services	-	-	-
Site improvement	1	-	-
Architecture and engineering fees	-	-	2,190
Building improvements	-	-	-
Equipment and furniture	-	41,267	-
Other facilities and acquisition	-	-	-
Miscellaneous	-	236	-
Total Expenditures	1	41,503	2,190
Excess (Deficiency) of Revenues Over Expenditures	16	1,426,451	57,316
Other Financing Sources (Uses)			
Transfers in	1,000	-	-
Net Change in Fund Balance	1,016	1,426,451	57,316
Fund Balance, Beginning of Year	-	3,489,535	1,139,091
Fund Balance, End of Year	\$ 1,016	\$ 4,915,986	\$ 1,196,407

Totals	
2024	2023
\$ 1,237,625	\$ 1,125,521
287,542	507,868
2,310	11,294
1,527,477	1,644,683
-	42,636
-	703,764
-	509,882
1	1,953,719
2,190	982,805
-	14,536,329
41,267	3,260,403
-	1,588,997
236	32,496
43,694	23,611,031
1,483,783	(21,966,348)
1,000	-
1,484,783	(21,966,348)
4,628,626	26,594,974
\$ 6,113,409	\$ 4,628,626