

## PRELIMINARY OFFICIAL STATEMENT, DATED JANUARY 12, 2026

NEW ISSUE  
BOOK-ENTRY ONLY

Ratings:  
S&P: "AA" (Stable Outlook)  
BAM INSURED  
S&P: "AA-" (Stable Outlook) UNDERLYING  
See "BOND RATINGS" herein

*Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.*

**Rockford School District Number 205**  
Winnebago and Boone Counties, Illinois  
**\$46,600,000\* General Obligation Limited Tax School Bonds, Series 2026A**  
**\$3,965,000\* General Obligation School Bonds, Series 2026B**

**Dated: Date of Delivery**

**Due: February 1, as further described on the inside cover page**

The General Obligation Limited Tax School Bonds, Series 2026A (the "2026A Bonds"), and General Obligation School Bonds, Series 2026B (the "2026B Bonds" and, together with the 2026A Bonds, the "Bonds"), of Rockford School District Number 205, Winnebago and Boone Counties, Illinois (the "District"), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by Zions Bancorporation, National Association, Chicago, Illinois, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of \$5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each February 1 and August 1, commencing August 1, 2026.

Proceeds of the 2026A Bonds will be used to (a) increase the working cash fund of the District, (b) pay certain interest on the 2026A Bonds and (c) pay costs associated with the issuance of the 2026A Bonds. Proceeds of the 2026B Bonds will be used to (a) refund certain of the District's outstanding bonds, (b) construct fire prevention and life safety improvements to the existing school buildings of the District, (c) pay certain interest on the 2026B Bonds, and (d) pay costs associated with the issuance of the 2026B Bonds. See "USE OF PROCEEDS" herein.

The 2026A Bonds due on or after February 1, 2036,\* are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after February 1, 2035,\* at the redemption price of par plus accrued interest to the redemption date. See "THE BONDS—Redemption" herein. The 2026B Bonds are not subject to redemption prior to maturity.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy (the "Bond Insurance Policy") to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM"). See "BOND INSURANCE" and APPENDIX D herein.



In the opinion of Bond Counsel, the 2026A Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the 2026A Bonds and the enforceability of the 2026A Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the 2026A Bonds is limited as provided by law. See "THE BONDS—Security for the 2026A Bonds" herein.

In the opinion of Bond Counsel, the 2026B Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the 2026B Bonds and the enforceability of the 2026B Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "THE BONDS—Security for the 2026B Bonds" herein.

*The Bonds are offered when, as and if issued by the District and received by Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District. Gilmore & Bell, P.C., Edwardsville, Illinois, will pass on certain matters for the Underwriter. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about February \_\_, 2026.*

**STIFEL**

The date of this Official Statement is January \_\_, 2026.

\* Preliminary, subject to change.

**Rockford School District Number 205**  
**Winnebago and Boone Counties, Illinois**

**\$46,600,000\* GENERAL OBLIGATION LIMITED TAX SCHOOL BONDS, SERIES 2026A**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS\***

MATURITY (FEBRUARY 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (974535)
2033	\$2,760,000	%	%	
2034	2,520,000	%	%	
2035	2,640,000	%	%	
2036	4,750,000	%	%	
2037	4,990,000	%	%	
2038	5,235,000	%	%	
2039	5,500,000	%	%	
2040	5,775,000	%	%	
2041	6,065,000	%	%	
2042	6,365,000	%	%	

**\$3,965,000\* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026B**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS\***

MATURITY (FEBRUARY 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (974535)
2029	\$2,465,000	%	%	
2030	1,300,000	%	%	
2031	200,000	%	%	

\* Preliminary, subject to change.

\*\* CUSIP data herein is provided by the CUSIP Global Services ("CGS"). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Bonds.

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the District, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning BAM and the Bond Insurance Policy has been obtained from BAM. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the District or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and APPENDIX D—Specimen Municipal Bond Insurance Policy.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Exhibits and Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District's beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein and is "deemed final" by the District as of the date hereof (or of the date of any supplement or correction) except for the omission of certain information permitted to be omitted pursuant to the Rule.

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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## **EXHIBITS**

Exhibit A	— Combined Statement of Revenues, Expenditures and Changes in Fund Balance, Fiscal Years Ended June 30, 2021-2025
Exhibit B	— Budget, Fiscal Year Ending June 30, 2026
Exhibit C	— General Fund Revenue Sources, Fiscal Years Ended June 30, 2021-2025

## **APPENDICES**

Appendix A	— Audited Financial Statements of the District for the Fiscal Year Ended June 30, 2025
Appendix B	— Proposed Forms of Opinions of Bond Counsel
Appendix C	— Proposed Form of Continuing Disclosure Undertaking
Appendix D	— Specimen Municipal Bond Insurance Policy

**ROCKFORD SCHOOL DISTRICT NUMBER 205**  
**WINNEBAGO AND BOONE COUNTIES, ILLINOIS**

501 7th Street  
Rockford, Illinois 61104

**Board of Education**

Paul Carpenter  
*President*

Tiana McCall

June Stanford  
*Secretary*

Patricia Chavez

Denise Pearson

Nicole Bennett  
*Vice President*

Kimberly Haley

**Administration**

Dr. Ehren Jarrett\*  
*Superintendent*

Dr. Greg Brown  
*Chief Financial Officer/School Treasurer*

**Professional Services**

*Underwriter*  
Stifel, Nicolaus & Company, Incorporated  
St. Louis, Missouri

*Bond Counsel and Disclosure Counsel*  
Chapman and Cutler LLP  
Chicago, Illinois

*Underwriter's Counsel*  
Gilmore & Bell, P.C.  
Edwardsville, Illinois

*Bond Registrar, Paying Agent and Escrow Agent*  
Zions Bancorporation, National Association  
Chicago, Illinois

*Auditor*  
Baker Tilly US, LLP  
Oak Brook, Illinois

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\* Dr. Jarrett is leaving the District on July 1, 2026, to become the superintendent at a neighboring high school district.

## **OFFICIAL STATEMENT**

**Rockford School District Number 205  
Winnebago and Boone Counties, Illinois  
\$46,600,000\* General Obligation Limited Tax School Bonds, Series 2026A  
\$3,965,000\* General Obligation School Bonds, Series 2026B**

### **INTRODUCTION**

The purpose of this Official Statement is to set forth certain information concerning Rockford School District Number 205, Winnebago and Boone Counties, Illinois (the “*District*”), in connection with the offering and sale of its General Obligation Limited Tax School Bonds, Series 2026A (the “*2026A Bonds*”), and General Obligation School Bonds, Series 2026B (the “*2026B Bonds*” and, together with the 2026A Bonds, the “*Bonds*”).

The District operates on a fiscal year which begins on July 1 of a calendar year and ends on June 30 of the subsequent calendar year. References in this Official Statement to “*Fiscal Year*” followed by a given year with respect to the District are a reference to the fiscal year ending on June 30th of such year (e.g. “*Fiscal Year 2025*” refers to the District’s fiscal year which began on July 1, 2024, and ended on June 30, 2025).

This Official Statement contains “forward-looking statements” that are based upon the District’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “pro-forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the District. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the District nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

### **THE BONDS**

#### **AUTHORITY AND PURPOSE**

The Bonds are being issued pursuant to the School Code of the State of Illinois (the “*School Code*”), the Local Government Debt Reform Act of the State of Illinois (the “*Debt Reform Act*”), and all laws amendatory thereof and supplementary thereto, a bond resolution for the 2026A Bonds (the “*2026A Bond Resolution*”), and a bond resolution for the 2026B Bonds (the “*2026B Bond Resolution*”), each adopted by the Board of Education of the District (the “*Board*”) on the 20th day of January, 2026 (together, the “*Bond Resolutions*”).

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\* Preliminary, subject to change.

Proceeds of the 2026A Bonds will be used to (a) increase the working cash fund (the “*Working Cash Fund*”) of the District, (b) pay certain interest on the 2026A Bonds and (c) pay costs associated with the issuance of the 2026A Bonds. Proceeds of the 2026B Bonds will be used to (a) refund certain of the District’s outstanding General Obligation School Bonds, Series 2015B, dated March 5, 2015 (the “*2015B Bonds*” and, those 2015B Bonds being refunded, the “*Refunded Bonds*”), (b) construct fire prevention and life safety improvements to the existing school buildings of the District, (c) pay certain interest on the 2026B Bonds and (d) pay costs associated with the issuance of the 2026B Bonds. See “**USE OF PROCEEDS**” herein.

#### GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of \$5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (“*DTC*”). Principal of and interest on the Bonds will be payable by Zions Bancorporation, National Association, Chicago, Illinois (the “*Registrar*”).

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each February 1 and August 1, commencing August 1, 2026.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the record date, which is the 15th day of the month next preceding the interest payment date (the “*Record Date*”).

#### REGISTRATION AND TRANSFER

The Registrar will maintain books (the “*Register*”) for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a 2026A Bond or 2026A Bonds for the unredeemed portion of a 2026A Bond surrendered for redemption.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date with respect to any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any 2026A Bond after notice calling such 2026A Bond for redemption has been mailed,

nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any 2026A Bonds.

#### REDEMPTION

*Optional Redemption.* The 2026B Bonds are not subject to optional redemption prior to maturity. The 2026A Bonds due on or after February 1, 2036,\* are subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the 2026A Bonds of a single maturity to be selected by the Registrar), on February 1, 2035,\* and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

*Mandatory Sinking Fund Redemption.* The 2026A Bonds due on February 1 of the years 20\_\_ and 20\_\_ are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on February 1 of the years and in the principal amounts as follows:

FOR THE 2026A BONDS DUE FEBRUARY 1, 20\_\_

YEAR	PRINCIPAL AMOUNT
20__	\$
20__	(stated maturity)

FOR THE 2026A DUE FEBRUARY 1, 20\_\_

YEAR	PRINCIPAL AMOUNT
20__	\$
20__	(stated maturity)

The principal amounts of 2026A Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such 2026A Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the District may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the District shall, purchase 2026A Bonds required to be retired on such mandatory redemption date. Any such 2026A Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

*General.* The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of 2026A Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding 2026A Bonds of a single maturity,

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\* Preliminary, subject to change.

the particular 2026A Bonds or portions of 2026A Bonds to be redeemed shall be selected by lot by the Registrar from the 2026A Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the 2026A Bonds are held in a book-entry system, in which case the selection of 2026A Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of 2026A Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of 2026A Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the 2026A Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the redemption price of the 2026A Bonds to be redeemed at the option of the District are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such 2026A Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such 2026A Bonds will not be redeemed. Otherwise, prior to any redemption date, the District will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the 2026A Bonds or portions of 2026A Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the 2026A Bond Resolution, and notwithstanding failure to receive such notice, the 2026A Bonds or portions of 2026A Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such 2026A Bonds or portions of 2026A Bonds shall cease to bear interest. Upon surrender of such 2026A Bonds for redemption in accordance with said notice, such 2026A Bonds will be paid by the Registrar at the redemption price.

#### SECURITY FOR THE 2026A BONDS

The 2026A Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel ("Bond Counsel"), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the 2026A Bonds and the enforceability of the 2026A Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that will be extended to pay the 2026A Bonds is

limited pursuant to the Property Tax Extension Limitation Law of the State of Illinois, as amended (the “*Limitation Law*”).

The Debt Reform Act provides that the 2026A Bonds are payable from the debt service extension base of the District (the “*Base*”), which is an amount equal to that portion of the extension for the District for the 1996 levy year constituting an extension for payment of principal of and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum, increased each year, commencing with the 2009 levy year, by the lesser of 5% or the percentage increase in the Consumer Price Index (as defined in the Limitation Law, the “*CPI*”) during the 12-month calendar year preceding the levy year. The Limitation Law further provides that the annual amount of taxes to be extended to pay the 2026A Bonds and all other limited bonds heretofore and hereafter issued by the District shall not exceed the Base.

The 2026A Bonds constitute one of two series of limited bonds of the District that are payable from the Base. Payments on the 2026A Bonds from the Base will be made on a parity with the payments on the District’s outstanding General Obligation Limited Tax School Bonds, Series 2015A, dated March 5, 2015 (the “*2015A Bonds*”). The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District’s limited bonds.

The amount of the Base for levy year 2025 has been determined to be \$10,463,663.72, which is calculated from an original Base of \$7,188,615 as increased annually by CPI as described above.

The following chart shows the Base of the District, the debt service payable on the outstanding 2015A Bonds and the 2026A Bonds, and the available Base after the issuance of the 2026A Bonds.

## DEBT SERVICE EXTENSION BASE AVAILABILITY AFTER ISSUANCE OF THE BONDS

LEVY YEAR	DEBT SERVICE ON THE 2015A BONDS	PLUS: DEBT SERVICE ON THE 2026A BONDS <sup>(1)</sup>	TOTAL DEBT SERVICE ON LIMITED BONDS <sup>(1)</sup>	DEBT SERVICE EXTENSION BASE	UNUSED DEBT SERVICE EXTENSION BASE <sup>(1)</sup>
2025	\$1,968,075	\$ 480,000 <sup>(2)</sup>	\$2,448,075	\$10,463,664	\$8,015,589
2026	1,967,500	1,235,000	3,202,500	10,463,664	7,261,164
2027	1,961,225	2,330,000	4,291,225	10,463,664	6,172,439
2028	1,973,375	2,330,000	4,303,375	10,463,664	6,160,289
2029	1,964,313	2,330,000	4,294,313	10,463,664	6,169,351
2030	1,978,375	2,330,000	4,308,375	10,463,664	6,155,289
2031	1,964,625	5,090,000	7,054,625	10,463,664	3,409,039
2032	1,974,000	4,712,000	6,686,000	10,463,664	3,777,664
2033	1,976,000	4,706,000	6,682,000	10,463,664	3,781,664
2034		6,684,000	6,684,000	10,463,664	3,779,664
2035		6,686,500	6,686,500	10,463,664	3,777,164
2036		6,682,000	6,682,000	10,463,664	3,781,664
2037		6,685,250	6,685,250	10,463,664	3,778,414
2038		6,685,250	6,685,250	10,463,664	3,778,414
2039		6,686,500	6,686,500	10,463,664	3,777,164
2040		6,683,250	6,683,250	10,463,664	3,780,414

(1) Preliminary, subject to change.

(2) Debt service is net of debt service paid on the 2026A Bonds from proceeds of the 2026A Bonds.

Note: Amounts may be rounded.

The 2026A Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate, upon all taxable property within the District in amounts to pay, as and when due, all principal of and interest on the 2026A Bonds, except for a portion of the interest due on the 2026A Bonds up to and including August 1, 2027, which will be paid from proceeds of the 2026A Bonds. The 2026A Bond Resolution will be filed with the County Clerks of Winnebago and Boone Counties, Illinois (the “*County Clerks*”) and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the 2026A Bond Resolution.

Reference is made to APPENDIX B-1 for the proposed form of opinion of Bond Counsel for the 2026A Bonds

### SECURITY FOR THE 2026B BONDS

The 2026B Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the 2026B Bonds and the enforceability of the 2026B Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Pursuant to Public Act 103-0591, effective July 1, 2024, levies to pay school fire and prevention bonds, such as the 2026B Bonds, are excepted from the Limitation Law. See “REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law” herein for more information. The 2026B Bond Resolution provides for the levy

of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the 2026B Bonds, except for a portion of the interest due on the 2026B Bonds up to and including August 1, 2027, which will be paid from proceeds of the 2026B Bonds. The 2026B Bond Resolution will be filed with the County Clerks and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the 2026B Bond Resolution to pay the 2026B Bonds.

Reference is made to APPENDIX B-2 for the proposed form of opinion of Bond Counsel for the 2026B Bonds.

### **USE OF PROCEEDS**

#### **THE PROJECT**

After proper abatement and transfer from the Working Cash Fund, proceeds of the 2026A Bonds and a portion of the proceeds of the 2026B Bonds (namely, proceeds to fund health life safety projects) will be used to complete projects (the “*Project*”) contained in the Five-Year Facility Master Plan that was approved by the Board in 2024. The Project includes phased improvements at various schools in the District, including but not limited to classroom improvements at certain schools, construction of space for related services staff (speech, social workers, psychologists, etc.), and doors, ceilings, lighting and restroom upgrades. The District expects to complete the Project funded by proceeds of the Bonds by December 31, 2027.

Proceeds of the Bonds will also be used to pay a portion of the interest due on the Bonds up to and including August 1, 2027.

## THE REFUNDING

A portion of the 2026B Bonds will be used to refund the Refunded Bonds for debt restructuring purposes. The Refunded Bonds are further described as follows:

### THE 2015B BONDS

MATURITY (FEBRUARY 1)	ORIGINAL AMOUNT ISSUED	AMOUNT REFUNDED BY		
		THE 2026B BONDS*	CALL PRICE	CALL DATE
2026	\$ 618,849		NA	NA
2027	994,285		NA	NA
2028	850,000	\$850,000	100.00%	5/ <u>  </u> /2026
2029	750,000		NA	NA
2030	600,000		NA	NA
2031	475,000		NA	NA
2032	325,000		NA	NA
2033	175,000		NA	NA
2034	12,250,000		NA	NA
2035	<u>12,750,000</u>	<u>                  </u>	NA	NA
TOTAL	\$29,788,134	\$850,000		

\* Preliminary, subject to change.

Certain proceeds received from the sale of the 2026B Bonds will be deposited in an Escrow Account (the “*Escrow Account*”) to be held by Zions Bancorporation, National Association, Chicago, Illinois (the “*Escrow Agent*”), under the terms of an Escrow Agreement, dated as of the date of issuance of the Bonds, between the District and the Escrow Agent. The moneys so deposited in the Escrow Account will be held in cash or applied by the Escrow Agent to purchase direct non-callable obligations of, or obligations guaranteed by the full faith and credit of, the United States of America (the “*Government Securities*”) and to provide an initial cash deposit. The Government Securities together with interest earnings thereon and the initial cash deposit will be sufficient to pay when due the principal of and interest on the Refunded Bonds up to and including the redemption date thereof.

## SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

SOURCES:	2026A BONDS	2026B BONDS
Principal Amount	\$	\$
[Net] Original Issue Premium/(Discount)	_____	_____
Total Sources	\$	\$
USES:		
Deposit to Working Cash Fund	\$	\$
Deposit to Life Safety Fund		
Deposit to Escrow Account to pay the Refunded Bonds		
Pay Interest on the Bonds		
Costs of Issuance*	_____	_____
Total Uses	\$	\$

\* Includes underwriter's discount, bond insurance premium and other issuance costs.

## RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

### CONSTRUCTION RISKS

There are potential risks that could affect the ability of the District to timely complete the Project. While preliminary costs have been projected by the District's consulting architects, not all of the construction contracts have been let by the District. No assurance can be given that the cost of completing the Project will not exceed available funds.

Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

## FINANCES OF THE STATE OF ILLINOIS

State funding sources constituted 47.49% of the District's combined Educational Fund and Operations and Maintenance Fund (the “*General Fund*”) revenue sources for Fiscal Year 2025. While the finances of the State of Illinois (the “*State*”) have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State’s five retirement systems, have a combined unfunded pension liability of approximately \$140 billion and a combined funded ratio of approximately 45%. Also, despite nine credit rating upgrades since June 2021, the State’s long-term general obligation bonds carry the lowest ratings of all states.

## FEDERAL REVENUES

Illinois school districts receive direct and indirect funding from various federal programs, such as Title I, the Individuals with Disabilities Education Act, and nutrition programs such as the National School Lunch and Breakfast Programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by the Congress of the United States (“*Congress*”). Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois school districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District’s financial condition and operations. The District makes no prediction as to the effect of these actions on the District’s federal revenues, which constituted 16.30% of the District’s General Fund revenue sources for Fiscal Year 2025, or the District’s ability to comply with federal laws and regulations in the future.

## LOCAL ECONOMY

The financial health of the District is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

## LOSS OR CHANGE OF BOND RATINGS

The Bonds have received an underlying credit rating from S&P (as hereinafter defined) and are expected to receive an insured rating from S&P. See “*BOND RATINGS*” herein. The ratings can be changed or withdrawn at any time for reasons both under and outside the District’s control.

Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

#### SECONDARY MARKET FOR THE BONDS

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

#### CONTINUING DISCLOSURE

A failure by the District to comply with the Undertaking (as defined herein) for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

#### SUITABILITY OF INVESTMENT

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

#### FUTURE CHANGES IN LAWS

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

## FACTORS RELATING TO TAX EXEMPTION

As discussed under “TAX EXEMPTION” herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolutions. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in Congress legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the District’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the “*Service*”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

## CYBERSECURITY

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the District’s operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

## BANKRUPTCY

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

## BOND INSURANCE

### BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut, or Florida insurance law.

### BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM. The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.bambonds.com/](http://www.bambonds.com/).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect

on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

#### CAPITALIZATION OF BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2025 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$517.2 million, \$273.6 million and \$243.6 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at [www.bambonds.com/](http://www.bambonds.com/), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE."

#### ADDITIONAL INFORMATION AVAILABLE FROM BAM

*Credit Insights Videos.* For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

*Credit Profiles.* Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g., general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale

and final Credit Profiles are easily accessible on BAM’s website at <https://bambonds.com/credit-profiles/>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

*Disclaimers.* The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

## THE DISTRICT

### GENERAL DESCRIPTION

The District was established in 1865 and is located in the north central part of the State, approximately 75 miles northwest of Chicago and 15 miles south of the Illinois/Wisconsin border. The District is the third largest school district in the State. Encompassing an area of approximately 155 square miles, the District is located almost entirely in Winnebago County (the “*County*”) (99.88% of the District’s 2024 equalized assessed valuation (“*EAV*”)) with a very small portion in Boone County (0.12% of the District’s 2024 *EAV*). The District serves the City of Rockford (the “*City*”) (70.95% of the District’s 2024 *EAV*), smaller portions of the Villages of Cherry Valley, Machesney Park, New Milford and Roscoe and the City of Loves Park and unincorporated areas.

The transportation network serving the City includes Interstates 39 and 90, U.S. Routes 20 and 51 and Illinois Routes 2 and 251. O’Hare International Airport is approximately 60 miles to the east; and General Mitchell International Airport, in Milwaukee, Wisconsin, is located approximately 100 miles to the northeast. The Chicago Rockford International Airport is located in the City and is home to a major air cargo sorting facility for United Parcel Services, Amazon and Federal Express. The Airport has grown to be the 14th busiest cargo airport in the United States due to its strategic Midwest location.

Secondary education is available at Community College District No. 511 (“*Rock Valley Community College*”). Rockford University, Northern Illinois University Rockford Campus and the University of Illinois College of Medicine are also located within the City.

The Rockford Promise Program (“*Rockford Promise*”) offers scholarships and/or grants to cover tuition and general fee expenses that are not met by other financial aid to eligible graduates of the District whose families reside within the City’s limits. The program represents a university partnership with the Rockford Promise organization (a non-profit 501(c)(3)), the District and the City. Modeled after promise programs around the nation, the District’s goal is to increase educational attainment in the community while providing a powerful economic incentive for residents and businesses to locate in the Rockford region. The four schools participating in the program include Northern Illinois University, Rockford University, Rock Valley Community College, and Saint Anthony College of Nursing.

To be eligible for the Rockford Promise, a student must attend the District all four years of high school and earn a cumulative 3.0 grade point average or higher. Once admitted, students must be enrolled in a minimum of 12 credit hours per semester and maintain a 2.5 cumulative GPA to remain eligible for the scholarship. Also, a parent or guardian needs to continue to live within the City while the student is enrolled. Any financial support through the Rockford Promise Program ends after four years of enrollment or upon graduation, whichever comes first. In 2019, 31 scholars received full-tuition scholarships and in 2025, 204 scholars received full-tuition scholarships. Rockford Promise is currently supporting more than 520 scholars in post-secondary programs.

The District currently operates 46 facilities, including 5 high schools (of which one is an alternative high school), one college and career education center that services all high schools, 6 middle schools, 21 elementary schools, 4 early childhood centers, 5 alternative schools and one adult education center.

In 2023, the District engaged an outside firm to facilitate a community led master planning (FMP) process. The FMP process identified more than \$400 million of desired projects that touched every building in the District. The Board ultimately approved a five-year \$180 million FMP which includes projects that have a higher near-term need. The District set aside \$30 million of unexpected one-time Corporate Personal Property Replacement Tax (“*CPPRT*”) monies to seed the start of the identified projects. The District plans to apply the proceeds of the Bonds and an approximate additional \$50-60 million of general obligation bond proceeds in 2028 toward funding the FMP. The District has the option to fund some of these costs with the proceeds of limited tax bonds, as well as traditional referendum bonds.

On November 8, 2025, the Board voted to place the County School Facilities Sales Tax (“*CSFT*”) on the March 17, 2026, ballot. The District, along with all but one school district in the County voted to place the 1% CSFT proposition on the ballot at said election. If the 1% CSFT proposition is approved, the District believes it will receive approximately \$25,000,000 annually, and the CSFT would fund some of the identified improvements.

The District is governed by an elected seven-member Board and a full-time administrative staff.

## ECONOMIC DEVELOPMENT IN THE CITY

The healthcare industry remains strong in the City. The University of Illinois College of Medicine announced a \$100 million expansion with an anticipated groundbreaking in 2026. Also, PCI Pharma Services (“PCI”) is undergoing significant development, focusing on a major expansion for advanced drug-device combination products (injectables, autoinjectors, etc.). PCI is constructing a new 545,000 square foot addition to its existing campus, aiming to provide end-to-end support from clinical trials to commercial drug launch.

The City is a leading hub for amateur sports tourism featuring Mercy Sportscore One and Two and UW Health Sports factory and is home to the Rockford IceHogs and a minor league baseball team, the Rockford Rivets. The City is the leading logistics hub in the region with UPS, FedEx and Amazon all having distribution hubs at the Chicago Rockford International Airport and Lowes and Landstar Inway both having major distribution centers in the region.

In June of 2019, Governor Pritzker signed the gaming expansion bill, which authorized six new casinos in the State, including a casino in Rockford. On August 29, 2024, the 175,000-square foot Hard Rock Casino Rockford (“Hard Rock”) opened a permanent location. The Hard Rock contains nearly 1,300 slot machines, 50 live table games, a sportsbook and an expandable 2,100-seat concert venue. Since its opening at the permanent location, nearly 1.5 million people have visited Hard Rock. In the fall, Hard Rock announced that it was looking to add a hotel.

Hard Rock generated more than \$147.3 million in revenue in its first full year of operation. Revenues received from Hard Rock will help fund Rockford Promise and is being used by the City for downtown venues, public safety pensions and economic development.

## DISTRICT ADMINISTRATION

The day-to-day affairs of the District are conducted by a full-time staff including the following central administrative positions.

OFFICIAL	TITLE	YEAR STARTED IN POSITION
Dr. Ehren Jarrett	Superintendent	2013
Dr. Greg Brown	Chief Financial Officer/School Treasurer	2021

Dr. Jarrett is leaving July 1, 2026, to become the superintendent at a neighboring high school district. On December 16, 2025, the Board approved a three-year contract with Dr. Larry Huff, who will become superintendent on July 1, 2026. Dr. Huff was most recently the Superintendent of Elkhart Community Schools in Elkhart, Indiana.

The Board appoints the administration. The staff is chosen by the administration with the approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the administration.

BOARD OF EDUCATION

OFFICIAL	POSITION	TERM EXPIRES
Paul Carpenter	President	April 2027
Nicole Bennett	Vice President	April 2029
June Stanford	Secretary	April 2027
Tiana McCall	Member	April 2027
Denise Pearson	Member	April 2027
Kimberly Haley	Member	April 2029
Patricia Chavez	Member	April 2029

ENROLLMENT

HISTORICAL	PROJECTED
2021/2022	27,328
2022/2023	27,173
2023/2024	27,268
2024/2025	27,875
2025/2026	28,170
	2026/2027
	2027/2028
	2028/2029
	2029/2030
	2030/2031
	28,042
	28,033
	28,075
	28,054
	28,122

Source: The District.

## EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2025-2026 school year, the District had 3,565 full-time employees and 340 part-time employees. Of the total number of employees, approximately 3,132 are represented by a union. Employee-union relations are considered to be good. District personnel are organized as follows:

EMPLOYEE GROUP	CONTRACT EXPIRES	UNION AFFILIATION	NUMBER OF MEMBERS
Professional Staff	June 2025 <sup>(1)</sup>	Rockford Education Association, Inc., IEA-NEA	2,105
Paraprofessionals	June 2027	Local 692 Council 31 of The American Federation of State, County and Municipal Employees, AFL-CIO	466
Bus Drivers	June 2026	Local 1275 of Council 31 of The American Federation of State, County and Municipal Employees, AFL-CIO	137
Food Service	June 2027	Local 3210 of Council 31 of The American Federation of State, County and Municipal Employees, AFL-CIO	173
Secretaries & Clerical	June 2026	Educational Office Personnel Association, IEA-NEA	143
Maintenance Employees	June 2026	The Rockford Building Maintenance Association, IEA-NEA	102
Hearing Impaired Interpreters	June 2028	Educational Interpreters Association, IEA-NEA	6

(1) Negotiations for a new agreement are ongoing.

## POPULATION DATA

According to the 2019-2023 American Community Survey 5-Year Estimates (released by the U.S. Census Bureau in December 2024), the estimated population of the District is 185,273. The estimated populations of the City, County, and State at the times of the last three U.S. Census surveys were as follows:

NAME OF ENTITY	2000	2010	2020	% CHANGE 2010/2020
The City	150,115	152,871	149,009	-2.53%
The County	278,418	295,266	285,350	-3.36%
The State	12,419,293	12,830,632	12,812,508	-0.14%

Source: U.S. Census Bureau, Decennial Census for 2000, 2010 and 2020, respectively.

## FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

### DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL ONLY)\*

CALENDAR YEAR	SERIES 2013 BONDS <sup>(1)</sup> (FEB. 1)	THE 2015A BONDS (FEB. 1)	THE 2015B BONDS (FEB. 1)	SERIES 2022 BONDS <sup>(2)</sup> (FEB. 1)	SERIES 2025 BONDS <sup>(3)</sup> (FEB. 1)	LESS: THE REFUNDED BONDS <sup>(4)</sup> (FEB. 1)	PLUS: THE 2026A BONDS <sup>(4)</sup> (FEB. 1)	PLUS: THE 2026B BONDS <sup>(4)</sup> (FEB. 1)	TOTAL OUTSTANDING BONDS <sup>(4)</sup>
2026	\$4,848,796	\$ 826,833	\$ 618,849		\$1,365,000 <sup>(5)</sup>				\$ 7,659,478
2027	1,390,050	987,268 <sup>(5)</sup>	994,285	\$ 4,985,000	3,465,000 <sup>(5)</sup>				11,821,603
2028		1,465,000 <sup>(5)</sup>	850,000	7,660,000	4,425,000 <sup>(5)</sup>	\$850,000			13,550,000
2029		1,510,000	750,000	8,175,000	645,000			\$2,465,000	13,545,000
2030		1,575,000 <sup>(5)</sup>	600,000	8,730,000				1,300,000	12,205,000
2031		1,625,000 <sup>(5)</sup>	475,000	9,305,000				200,000	11,605,000
2032		1,700,000 <sup>(5)</sup>	325,000	9,920,000					11,945,000
2033		1,750,000	175,000	10,555,000			\$ 2,760,000		15,240,000
2034		1,825,000 <sup>(5)</sup>	12,250,000				2,520,000		16,595,000
2035		1,900,000	12,750,000				2,640,000		17,290,000
2036							4,750,000		4,750,000
2037							4,990,000		4,990,000
2038							5,235,000		5,235,000
2039							5,500,000		5,500,000
2040							5,775,000		5,775,000
2041							6,065,000		6,065,000
2042							6,365,000		6,365,000
<b>TOTAL</b>	<b>\$6,238,846</b>	<b>\$15,164,101</b>	<b>\$29,788,134</b>	<b>\$59,330,000</b>	<b>\$9,900,000</b>	<b>\$850,000</b>	<b>\$46,600,000</b>	<b>\$3,965,000</b>	<b>\$170,136,081</b>

\* Does not include alternate revenue bonds, such as the Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2016 (Qualified School Construction Bonds) (the "2016 Bonds") which, under the Debt Reform Act, are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on the 2016 Bonds are extended for collection by the County Clerks.

(1) General Obligation School Bonds, Series 2013, dated April 3, 2013.

(2) General Obligation Refunding School Bonds, Series 2022, dated November 3, 2022.

(3) General Obligation School Bonds, Series 2025, dated February 19, 2025 (the "2025 Bonds").

(4) Preliminary, subject to change.

(5) Mandatory sinking fund payments.

ALTERNATE REVENUE BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	THE 2016 BONDS (DECEMBER 1)
2026	\$15,000,000
2027	<u>14,085,000</u>
TOTAL	\$29,085,000

OVERLAPPING GENERAL OBLIGATION BONDS  
(As of October 24, 2025)

APPLICABLE TO THE DISTRICT

TAXING BODY	OUTSTANDING BONDS <sup>(1)</sup>	PERCENT	AMOUNT
Winnebago Forest Preserve District	\$ 2,992,930	56.507%	\$ 1,691,214
Cherry Valley Fire Protection District	1,400,000	96.316%	1,348,430
Northwest Fire Protection District	305,000	96.488%	294,288
Rockford Park District	6,487,500	85.279%	5,532,479
Rock Valley Community College	88,160,000	35.260%	<u>31,085,548</u>
TOTAL OVERLAPPING GENERAL OBLIGATION BONDS			\$39,951,959

Source: With respect to the applicable taxing bodies and the information used to calculate the percentage of overlapping EAV, the County Clerks' Offices. Information regarding the outstanding bonds of the overlapping taxing bodies was obtained from publicly-available sources.

(1) Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.

## SELECTED FINANCIAL INFORMATION

2024 Estimated Full Value of Taxable Property:	\$ 10,948,448,361
2024 EAV:	\$ 3,649,482,787 <sup>(1)</sup>
Population Estimate:	185,273
General Obligation Bonds:	\$ 170,136,081 <sup>(2)(3)</sup>
Other Direct General Obligation Debt:	\$ 0
Total Direct General Obligation Debt:	\$ 170,136,081 <sup>(2)</sup>
Percentage to Full Value of Taxable Property:	1.55% <sup>(2)</sup>
Percentage to EAV:	4.66% <sup>(2)</sup>
Debt Limit (13.8% of EAV):	\$ 503,628,625 <sup>(4)</sup>
Percentage of Debt Limit:	33.78% <sup>(2)</sup>
Per Capita:	\$ 918 <sup>(2)</sup>
General Obligation Bonds:	\$ 170,136,081 <sup>(2)(3)</sup>
Overlapping General Obligation Bonds:	\$ 39,951,959
General Obligation Bonds and Overlapping General Obligation Bonds:	\$ 210,088,040 <sup>(2)</sup>
Percentage to Full Value of Taxable Property:	1.92% <sup>(2)</sup>
Percentage to EAV:	5.76% <sup>(2)</sup>
Per Capita:	\$ 1,134 <sup>(2)</sup>

(1) Includes Incremental EAV (as hereinafter defined) and Enterprise Zone EAV in the amount of \$180,065,395. See "Tax Increment Financing Districts Located Within the District" herein.

(2) Preliminary, subject to change.

(3) Does not include alternate revenue bonds, such as the 2016 Bonds, which, under the Debt Reform Act, are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on the 2016 Bonds are extended for collection by the County Clerks.

(4) Incremental EAV is included in the calculation of the District's statutory debt limit. The District does not receive property tax revenues with respect to the incremental increase of the EAV of property included in the tax increment financing ("TIF") district. See "Tax Increment Financing Districts Located Within the District" herein.

## COMPOSITION OF EAV

	2020	2021	2022	2023	2024
<b>By Property Type</b>					
Residential	\$1,618,101,904	\$1,720,947,642	\$1,893,800,248	\$2,144,942,465	\$2,455,645,515
Farm	19,883,551	21,405,833	23,205,133	25,412,734	28,421,969
Commercial	543,082,001	569,443,594	610,581,337	659,390,129	737,697,674
Industrial	180,063,115	187,024,590	198,058,191	214,832,648	238,153,243
Mineral	0	0	103,239	271,527	959,926
Railroad	<u>6,927,695</u>	<u>7,424,607</u>	<u>7,700,152</u>	<u>8,116,287</u>	<u>8,539,065</u>
Total EAV <sup>(1)</sup>	\$2,368,058,266	\$2,506,246,266	\$2,733,448,300	\$3,052,965,790	\$3,469,417,392

Source: County Clerks' Offices.

(1) Does not include Incremental EAV and Enterprise Zone EAV.

	2020	2021	2022	2023	2024
<b>By County</b>					
The County	\$2,364,777,362	\$2,502,943,477	\$2,729,958,853	\$3,049,184,952	\$3,465,177,776
Boone County	<u>3,280,904</u>	<u>3,302,789</u>	<u>3,489,447</u>	<u>3,780,838</u>	<u>4,239,616</u>
Total EAV <sup>(1)</sup>	\$2,368,058,266	\$2,506,246,266	\$2,733,448,300	\$3,052,965,790	\$3,469,417,392

Source: County Clerks' Offices.

(1) Does not include Incremental EAV and Enterprise Zone EAV.

## NEW PROPERTY

The following chart indicates the EAV of new property (as defined in the Limitation Law) within the District for each of the last five levy years.

LEVY YEAR	NEW PROPERTY
2020	\$13,635,641
2021	7,177,501
2022	8,710,791
2023	9,252,856
2024	23,176,857

Source: County Clerks' Offices.

## TREND OF EAV

LEVY YEAR	EAV <sup>(1)</sup>	% CHANGE IN EAV FROM PREVIOUS YEAR
2020	\$2,368,058,266	5.35% <sup>(2)</sup>
2021	2,506,246,266	5.84%
2022	2,733,448,300	9.07%
2023	3,052,965,790	11.69%
2024	3,469,417,392	13.64%

Source: County Clerks' Offices.

(1) Does not include Incremental EAV and Enterprise Zone EAV.

(2) Based on the District's 2019 EAV of \$2,247,891,213.

## TAX INCREMENT FINANCING DISTRICTS LOCATED WITHIN THE DISTRICT

A portion of the District's EAV is contained in TIF districts, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated as such (the *"Base EAV"*). Any incremental increases in property tax revenue produced by the increase in EAV (the *"Incremental EAV"*) derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. The District is not aware of any new TIF districts planned in the immediate future.

LOCATION NAME OF TIF	YEAR ESTABLISHED	BASE EAV	2024 EAV	INCREMENTAL EAV
Amerock Hotel TIF	2017	\$ 341,452	\$ 6,607,565	\$ 6,266,113
Auburn Street TIF	2014	6,502,814	10,483,301	3,980,487
Barber Colman TIF	2023	394,114	899,597	505,483
Broadway TIF	2009	15,937,521	19,135,065	3,197,544
East River TIF	2009	10,658,616	18,696,939	8,038,323
East State & Alpine TIF	2006	13,170,039	17,522,034	4,351,995
Garrison School TIF	2005	1,487,996	3,358,414	1,870,418
Global Trade TIF 1	2004	25,906,333	48,186,459	22,280,126
Global Trade TIF 2	2007	9,076,415	15,970,341	6,893,926
Global Trade TIF 3	2008	17,264,444	22,659,319	5,394,875
Hope VI TIF	2005	768,258	2,107,622	1,339,364
I-39 / Baxter Road TIF	2011	1,740,017	27,720,787	25,980,770
Jackson School TIF	2007	9,660,398	11,326,192	1,665,794
Jefferson / North 3rd St. TIF	2012	253,676	1,016,348	762,672
Kishwaukee & Harrison TIF 1	2005	1,783,602	2,965,497	1,181,895
Kishwaukee & Harrison TIF 2	2008	491,729	670,208	178,479
Kishwaukee Harrison TIF 3	2021	238,617	1,301,648	1,063,031
Lincolnwood TIF	2001	3,861	721,227	717,366
Lincolnwood TIF 2	2005	10,548	511,424	500,876
Loves Park Corp. Ctr. TIF	2011	4,433,426	14,646,846	10,213,420
Main & Whitman TIF	2008	867,203	2,841,389	1,974,186
McFarland Road TIF	2022	23,381	325,943	302,562
Midtown TIF	2008	7,479,063	9,615,678	2,136,615
Mulford & East State St. TIF	2012	43,595,370	62,269,465	18,674,095
North Main & Auburn TIF	2006	1,276,552	1,858,880	582,328
North Main TIF	2004	970,992	2,281,571	1,310,579
Perryville-Route 173 TIF	1991 (ext. in 2014)	7,901	8,897	996
Preston & Central TIF	2007	2,109,375	3,814,341	1,704,966
River District North TIF	2008	10,386,887	20,386,612	9,999,725
River Oaks TIF	2002	71,415	829,583	758,168
Spring Creek Lakes TIF	2011	110,195	20,854,285	20,744,090
Springfield Corners TIF	2002	71,639	2,665,178	2,593,539
West State & Central TIF	2007	12,115,039	14,972,542	2,857,503
Weststone TIF	2011	161,038	9,186,886	9,025,848
		Total Incremental EAV	\$ 179,048,157	
		District's Base 2024 EAV	3,469,417,392	
		Enterprise Zone EAV	1,017,238	
		Total EAV	\$3,649,482,787	

Source: County Clerk's Office.

## TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED <sup>(1)</sup>	PERCENT COLLECTED
2020/21	\$155,688,030	\$155,049,162	99.59%
2021/22	156,946,316	156,511,734	99.72%
2022/23	156,399,601	155,846,082	99.65%
2023/24	157,969,273	157,331,174	99.60%
2024/25	166,043,238	158,612,309 <sup>(2)</sup>	95.52%

Source: Winnebago and Boone County Treasurers' Offices.

(1) Excludes interest.

(2) Collections are through September 26, 2025.

## SCHOOL DISTRICT TAX RATES BY PURPOSE

(Per \$100 EAV)

PURPOSE	2020	2021	2022	2023	2024	MAXIMUM RATE <sup>(1)</sup>
Educational	\$3.3556	\$3.6969	\$3.0428	\$2.6706	\$2.3497	None <sup>(2)</sup>
Bonds and Interest	0.5854	0.5643	0.5351	0.4887	0.4880	None
Operations & Maintenance	0.7121	0.6746	0.6808	0.6226	0.7031	\$0.7500
IMRF	0.0169	0.0021	0.0020	0.0346	0.0317	None
Transportation	0.6234	0.1916	0.3221	0.3710	0.3444	None
Working Cash	0.0417	0.0396	0.0009	0.0009	0.0009	0.0500
Fire Prevention/Safety	0.0301	0.0286	0.0263	0.0237	0.0224	0.1000
Special Education	0.6622	0.6274	0.5753	0.5164	0.4736	0.8000
Liability Insurance	0.2002	0.1099	0.3478	0.2140	0.1551	None
Social Security	0.3581	0.2994	0.2014	0.2136	0.1945	None
Revenue Recapture <sup>(3)</sup>	<u>0.0000</u>	<u>0.0302</u>	<u>0.0280</u>	<u>0.0393</u>	<u>0.0265</u>	None
Total	\$6.5857	\$6.2646	\$5.7625	\$5.1954	\$4.7899	

Source: Winnebago County Clerk's Office.

(1) See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law" herein for information on the operation of such maximum rates under the Limitation Law.

(2) The District does not have a maximum tax rate for educational fund purposes. The aggregate tax rate for the various purposes subject to the Limitation Law, however, may not exceed the District's limiting rate under the Limitation Law.

(3) See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law" herein for information on the property tax refund revenue recapture provisions of the Limitation Law.

REPRESENTATIVE TOTAL TAX RATES  
(Per \$100 EAV)

TAXING AUTHORITY	2020	2021	2022	2023	2024
The District	\$ 6.5857	\$ 6.2646	\$ 5.7625	\$ 5.1954	\$4.7899
The County	0.9436	0.9032	0.8373	0.7587	0.6730
Winnebago Forest Preserve District	0.1073	0.1041	0.0993	0.0913	0.0835
Greater Rockford Airport	0.0987	0.0955	0.0926	0.0877	0.0803
Rock River Water Reclamation Dist.	0.1795	0.1731	0.1593	0.1425	0.1253
Rockford Township	0.1233	0.1173	0.1072	0.0963	0.0848
Rockford Township Road	0.1260	0.1218	0.1173	0.1108	0.1012
The City	2.7943	2.6361	2.4575	2.1972	1.9303
Rockford City Library	0.4343	0.4103	0.3760	0.3528	0.3230
Rockford Park District	1.0042	0.9739	0.9401	0.8914	0.8132
Rock Valley Community College	<u>0.4615</u>	<u>0.4564</u>	<u>0.4762</u>	<u>0.4593</u>	<u>0.4719</u>
Total Representative Tax Rate <sup>(1)</sup>	\$12.8584	\$12.2563	\$11.4253	\$10.3834	\$9.4764

Source: Winnebago County Clerk's Office.

(1) The total of such rates is the property tax rate paid by a typical resident living in the City.

## TEN LARGEST TAXPAYERS

TAXPAYER NAME	DESCRIPTION	2024 EAV	PERCENT OF DISTRICT'S TOTAL EAV
Wesley Willows Corp.	Independent senior living community	\$ 16,317,782	0.45%
Lowes Home Centers, Inc.	Home and garden center	13,438,182	0.37%
Greater Rockford Airport Authority	Airport	12,703,015	0.35%
Forest Plaza LLC	Shopping center	11,532,807	0.32%
Swedish American Hospital	Healthcare	10,306,431	0.28%
NM PCILP	Pharmaceutical development & manufacturing	9,653,419	0.26%
CBL Cherryvale	Shopping mall	9,469,606	0.26%
GLP Capital LP	Hotel and casino	9,314,371	0.26%
Legacy Varin Property Mgmt.	Apartments	7,374,550	0.20%
Interstate Boulevard Illinois	Business Park	<u>7,355,945</u>	<u>0.20%</u>
Becknell Investors LLC			
<b>TOTAL</b>		<b>\$107,466,108</b>	<b>2.94%</b>

Source: Winnebago County Clerk's Office, except for taxpayer descriptions which are based on publicly available information available to the District. Values shown include TIF incremental EAV and enterprise zone EAV, if any.

The above taxpayers represent 2.94% of the District's 2024 EAV of \$3,649,482,787 (includes Incremental EAV and enterprise zone EAV). Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

## RETAILERS' OCCUPATION TAX AND SERVICE OCCUPATION TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation Tax and Service Occupation Tax collected by the Illinois Department of Revenue (the "Department") from retailers within the City. The table indicates the level of retail activity in the City.

### STATE SALES TAX DISTRIBUTION<sup>(1)</sup>

CALENDAR YEAR	THE CITY
2020	\$23,410,243
2021	28,565,646
2022	28,792,956
2023	30,093,829
2024	32,284,120
2025 <sup>(2)</sup>	17,556,010

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Source: The Department.

(1) Tax distributions are based on records of the Department relating to the 1% municipal portion of the Retailers' Occupation Tax and Service Occupation Tax, collected on behalf of the City, less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs which are not taxed by the State.

(2) Through June 2025.

## CORPORATE PERSONAL PROPERTY REPLACEMENT TAXES

CPPRT are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the "Personal Property Tax") with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the "Sharing Act") was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of

CPPRT received by the District over the last five years and the estimated amount to be received in Fiscal Year 2026:

FISCAL YEAR	CPPRT RECEIPTS <sup>(1)</sup>
2021	\$30,621,972
2022	66,747,957
2023	75,444,837
2024	49,693,602
2025	32,951,313
2026 (estimated)	33,630,274

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Source: The audited financial statements of the District for Fiscal Years 2021 through 2025 and the Department for Fiscal Year 2026.

(1) In Fiscal Years 2022 through 2024, the District allocated larger amounts of CPPRT to the Capital Projects and Life Safety Funds for one-time capital projects.

## LARGEST EMPLOYERS

Below is a listing of large employers within or near the District.

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROXIMATE NUMBER OF EMPLOYEES
UW Health Systems	Health care	Rockford	4,240
The District	Public education	Rockford	3,905 <sup>(1)</sup>
Mercyhealth/Rockford Health Systems	Health care	Rockford	3,000
PCI	Pharmaceutical development and manufacturing	Rockford	2,600
United Parcel Service	Parcel sorting hub	Rockford	2,500
OSF Healthcare	Health care	Rockford	2,200
Collins Aerospace Systems	Aerospace products and controlled speed motors	Rockford	2,000
Woodward	Innovative control solutions for aerospace and industrial markets	Loves Park	1,500
Wal-Mart Stores	Retail	Rockford	1,470
The County	Government	Rockford	1,429

Source: The District

(1) Includes part-time employees.

## UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates, as well as the average unemployment rates for the eight-month period ending August 2025, for the City, County and State.

	THE CITY	THE COUNTY	THE STATE
2020 – Average <sup>(1)</sup>	12.7%	11.1%	9.3%
2021 – Average <sup>(1)</sup>	9.9%	8.4%	6.1%
2022 – Average	6.7%	6.0%	4.6%
2023 – Average	6.9%	6.1%	4.5%
2024 – Average	6.2%	5.6%	5.0%
2025 – Average <sup>(2)</sup>	5.7%	5.0%	4.8%

Source: State of Illinois Department of Employment Security.

(1) The District attributes the higher unemployment rates to the COVID-19 pandemic.

(2) Eight-month average unemployment rate.

## HOUSING VALUE AND INCOME STATISTICS

The following table sets forth information regarding median home values and various income related statistics for the City, County and State.

	THE CITY	THE COUNTY	THE STATE
Median Home Value	\$120,900	\$155,100	\$250,500
Median Household Income	53,328	64,363	81,702
Median Family Income	68,932	81,456	103,504
Per Capita Income	30,409	34,775	45,104

Source: U.S. Census Bureau 2019-2023 American Community Survey 5-Year Estimates released by the U.S. Census Bureau in December 2024.

## SHORT-TERM BORROWING

The District has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

## FUTURE DEBT

Except for the Bonds, the District does not currently anticipate issuing any debt in the next six months.

## DEFAULT RECORD

The District has no record of default and has met its debt repayment obligations promptly.

## WORKING CASH FUND

The District is authorized to issue (subject to the provisions of the Limitation Law) general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed \$.05 per hundred dollars of EAV (the "*Working Cash Fund Tax*"). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

Any time moneys are available in the Working Cash Fund, they must be transferred to such other funds of the District and used for any and all school purposes so as to avoid, whenever possible, the issuance of tax anticipation warrants or notes. Interest earned from the investment of the Working Cash Fund may be transferred from the Working Cash Fund to other funds of the

District that are most in need of the interest. Moneys in the Working Cash Fund may not be appropriated by the Board in the annual budget.

The District also has the authority to abate amounts in the Working Cash Fund to any other fund of the District if the amount on deposit in such other fund after the abatement will not constitute an excess accumulation of money in that fund and as long as the District maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then current value, as equalized or assessed by the Department, of the taxable property in the District.

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the educational fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the educational fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the educational fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished.

#### WORKING CASH FUND SUMMARY

FISCAL YEAR	END OF YEAR FUND BALANCE
2021	\$37,786,588
2022	37,545,131
2023	38,841,469
2024	41,127,933
2025	43,621,532

Source: Compiled from the District's audited financial statements for Fiscal Years 2021 through 2025.

Note: The District transferred \$4.6 million of accumulated interest from the Working Cash Fund to the Capital Projects Fund in October 2025.

#### **REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES**

##### SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County and Boone County. There can be no assurance that the procedures described herein will not change.

## TAX LEVY AND COLLECTION PROCEDURES

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Department assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year.

## UNPAID TAXES AND ANNUAL TAX SALES

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.50% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the "Annual Tax Sale" — a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

When taxes go unpaid for more than 20 years, Illinois law states that the property is "forfeited to the state." As a practical matter, this does not happen. Instead, the taxes are wiped

out, as the property remains in its distressed condition barring a change in the owner's circumstances or it being sold.

## EXEMPTIONS

The Illinois Property Tax Code, as amended (the "*Property Tax Code*"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes ("*Residential Property*") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the "*Collar Counties*") is \$8,000.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$5,000. Beginning with tax year 2023, the maximum exemption in the Collar Counties is \$8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "*Natural Disaster Exemption*") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or

storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Several exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

#### PROPERTY TAX EXTENSION LIMITATION LAW

The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home-rule units, including the District. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected

taxing bodies unless they are approved by referendum, are alternate bonds, are for life safety and fire prevention purposes (such as the 2026B Bonds) or are for certain refunding purposes.

The District has the authority to levy taxes for many different purposes. See “FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT—School District Tax Rates by Purpose” above. The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (a) unlimited (as provided by statute), (b) initially set by statute but permitted to be increased by referendum, (c) capped by statute, or (d) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District’s limiting rate computed in accordance with the provisions of the Limitation Law.

If the District’s Adequacy Target (as defined under “STATE AID” herein) exceeds 110% for the school year that begins during the calendar year immediately preceding the levy year for which a tax reduction is sought, a petition signed by at least 10% of the registered voters in the District may be filed requiring a proposition to be submitted to the District’s voters at the next consolidated election in April of odd-numbered years asking the voters whether the District must reduce its extension for educational purposes for the levy year in which the election is held to an amount that is less than the extension for educational purposes for the immediately preceding levy year. The reduced extension, however, may not be more than 10% lower than the amount extended for educational purposes in the previous levy year and may not cause the District’s Adequacy Target to fall below 110% for the levy year for which the reduction is sought. If the voters approve the proposition, the County Clerks will extend a rate for educational purposes that is no greater than the limiting rate for educational purposes computed in accordance with the Limitation Law. Furthermore, if the voters approve such proposition, separate limiting rates for educational purposes and for the aggregate of the District’s other funds subject to the Limitation Law will be computed in accordance with the provisions of the Limitation Law. If such proposition is submitted to the voters, it may not be submitted again at any of the next two consolidated elections.

Local governments, including the District, can issue limited bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law. See “THE BONDS—Security for the 2026A Bonds” herein.

Beginning with levy year 2021, each tax-capped taxing district (such as the District) receives an automatic levy increase in the amount of any property tax refunds paid by such taxing district in the prior year as a result of the issuance of certificates of error, court orders issued in connection with valuation tax objection complaints and Illinois Property Tax Appeal Board (the “PTAB”) decisions. For levy year 2024, the additional amount added to the District’s tax levy as a result of this change was \$915,690.

Pursuant to Section 18-190.7 of the Property Tax Code, school districts that have a designation of “recognition” or “review” according to the Illinois State Board of Education’s (“ISBE”) School District Financial Profile System, park districts, library districts and community

college districts and for which taxes were not extended at the maximum amount permitted under the Limitation Law in a given levy year may be able to recapture all or a portion of such unrealized levy amount in a subsequent levy year. Section 18-190.7 directs county clerks, in calculating the limiting rate for a given taxing district, to use the greater of the taxing district's last preceding aggregate extension or the district's last preceding aggregate extension if the taxing district had utilized the maximum limiting rate permitted without referendum for each of the three immediately preceding levy years. The aggregate extension of a taxing district that includes any recapture for a particular levy year cannot exceed the taxing district's aggregate extension for the immediately preceding levy year by more than 5%. If a taxing district cannot recapture the entire unrealized levy amount in a single levy year, the taxing district may increase its aggregate extension in each succeeding levy year until the entire levy amount is recaptured.

Illinois legislators have introduced several proposals to further modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The District cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the District predict the effect of any such change on the District's finances.

#### TRUTH IN TAXATION LAW

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolutions that it will not take any action or fail to take any action which would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolutions.

#### SCHOOL DISTRICT FINANCIAL PROFILE

ISBE utilizes a system for assessing a school district's financial health referred to as the "School District Financial Profile" which replaced the Financial Watch List and Financial Assurance and Accountability System (FAAS). This system identifies those school districts which are moving into financial distress.

The system uses five indicators which are individually scored, placed into a category of a four, three, two or one, with four being the best possible, and weighted in order to arrive at a composite district financial profile. The indicators and the weights assigned to those indicators are as follows: fund balance to revenue ratio (35%); expenditures to revenue ratio (35%); days cash on hand (10%); percent of short-term borrowing ability remaining (10%); and percent of long-term debt margin remaining (10%).

The scores of the weighted indicators are totaled to obtain a district's overall score. The highest score is 4.0 and the lowest score is 1.0. A district is then placed in one of four categories as follows:

- *Financial Recognition.* A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.
- *Financial Review.* A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.
- *Financial Early Warning.* A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.
- *Financial Watch.* A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

For each school district, ISBE calculates an original financial profile score (the “*Original Score*”) and an adjusted financial profile score (the “*Adjusted Score*”). The Original Score is calculated based solely on such school district’s audited financial statements as of the close of the most recent fiscal year. The Adjusted Score is calculated based initially on a school district’s audited financial statements for the most recent fiscal year, with adjustments made to reflect the impact on the Original Score of timing differences between such school district’s actual and expected receipt of State payments, as required by Section 1A-8 of the School Code. ISBE has implemented this statutory requirement by adding in payments expected to be received during the calculation year but not actually received until the following fiscal year, as well as by subtracting certain State payments received during the current fiscal year but attributable to a prior fiscal year. Such adjustments may have a varying effect on a school district’s Adjusted Score based on the amount of time by which such State payments are delayed and the accounting basis adopted by such school district. Due to the manner in which such requirement has been implemented by ISBE, a school district’s Adjusted Score may be different than it otherwise would have been in certain years based on the scheduled receipt of State payments.

The following table sets forth the District's Original Scores and Adjusted Scores, as well as the designation assigned to each score, for each of the last five fiscal years (as released by ISBE in the calendar year following the conclusion of each fiscal year):

FISCAL YEAR	ORIGINAL SCORE	DESIGNATION BASED ON ORIGINAL SCORE	ADJUSTED SCORE	DESIGNATION BASED ON ADJUSTED SCORE
2020	3.70	Recognition	3.70	Recognition
2021	3.80	Recognition	3.80	Recognition
2022	3.80	Recognition	3.80	Recognition
2023	3.90	Recognition	3.90	Recognition
2024	3.90	Recognition	3.90	Recognition

## STATE AID

### GENERAL

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such state aid as a significant part of their budgets. For Fiscal Year 2025, 47.49% of the District's General Fund revenue came from State funding sources. See *Exhibit C* to this Official Statement for more information concerning the breakdown of the District's revenue sources.

### GENERAL STATE AID—EVIDENCE-BASED FUNDING MODEL

Beginning with Fiscal Year 2018, general State funds ("General State Aid") have, pursuant to Public Act 100-0465, been distributed to school districts under the "Evidence-Based Funding Model". The Evidence-Based Funding Model sets forth a school funding formula that ties individual district funding to evidence-based best practices that certain research shows enhance student achievement in the classroom. Under the funding formula, ISBE will calculate an adequacy target (the "Adequacy Target") each year for each district based upon its unique student population, regional wage differences and best practices. Each district will be placed in one of four tiers depending on how close the sum of its local resources available to support education (based on certain State resources and its expected property tax collections, its "Local Capacity Target"), and its Base Funding Minimum (as hereinafter defined) are to its Adequacy Target; Tier One and Tier Two for those districts that are the furthest away from their Adequacy Targets and Tier Three and Tier Four for those districts that are the closest to (or above) their Adequacy Targets. For each school year, all State funds appropriated for General State Aid in excess of the amount needed to fund the Base Funding Minimum for all school districts ("New State Funds") will be distributed to districts based on tier placement. Of any New State Funds available, Tier One receives 50%, Tier Two receives 49%, Tier Three receives 0.9%, and Tier Four receives 0.1%. Tier Two includes all Tier One districts for the purpose of the allocation percentages for New State Funds.

On June 16, 2025, Governor Pritzker signed the State's \$55.2 billion general funds budget (Public Act 104-0003) for the fiscal year ending June 30, 2026 (the "*Fiscal Year 2026 Budget*"). The Fiscal Year 2026 Budget increased funding for K-12 education by approximately \$275 million. The Fiscal Year 2026 Budget appropriated General State Aid in an amount \$300 million greater than the appropriation in the prior fiscal year budget. Such additional General State Aid will be distributed to districts pursuant to the Evidence-Based Funding Model.

The Evidence-Based Funding Model also provides that each school district will be allocated at least as much in General State Aid in future years as it received in the most recently completed school year (such amount being the district's "*Base Funding Minimum*"). The Base Funding Minimum for the District for school year 2017-2018 was \$126,062,468 (the "*Initial Base Funding Minimum*"). Mandated Categorical State Aid (as hereinafter defined) received by the District in Fiscal Year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Initial Base Funding Minimum. Any New State Funds received by a district in a year become part of its Base Funding Minimum in the following year.

The following table sets forth the amounts received by the District pursuant to the Evidence-Based Funding Model in each of the last five fiscal years, and the amount expected to be received in Fiscal Year 2026.

FISCAL YEAR	EVIDENCE-BASED FUNDING
2021	\$155,543,515
2022	169,836,705
2023	177,016,876
2024	179,939,062
2025	190,156,655
2026 (projected)	209,858,760

Source: The audited financial statements of the District for Fiscal Years 2021 through 2025, for historical amounts and ISBE for the amount projected for Fiscal Year 2026. The projected amount of Evidence-Based Funding for Fiscal Year 2026 consists of the Base Funding Minimum plus anticipated New State Funds for Fiscal Year 2026.

The District was placed in Tier One for Fiscal Years 2025 and 2026.

#### PROPERTY TAX RELIEF POOL FUNDS

For the purpose of encouraging high tax rate school districts to reduce property taxes, the Evidence-Based Funding Model also established a property tax relief grant program (the "*Property Tax Relief Pool*"). School districts must apply for the grant and indicate an amount of intended property tax relief, which relief may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district or 0.31% of EAV for a high school district, reduced, in each case, based on the Local Capacity Target of the applicant. Property Tax Relief Pool grants will be allocated to school districts based on each district's percentage of the simple average operating tax rate of all school districts of the same type (unit, elementary or high), in

order of priority from highest percentage to lowest, until the Property Tax Relief Pool is exhausted. A school district which receives a Property Tax Relief Pool grant is required to abate its property tax levy by the amount of intended property tax relief for the levy year in which the grant is to be received, and the succeeding levy year. The difference between the amount of the grant and the amount of the abatement is based on a statutory calculation which takes into account relative Local Capacity Targets. Pursuant to such calculation, a school district with a low Local Capacity Target will be required to abate less than a school district with a high Local Capacity Target, assuming the amount of Property Tax Relief Pool grants received by the school districts are the same. Property Tax Relief Pool grants received by a school district are included in future calculations of that district's Base Funding Minimum, unless that district does not abate its property tax levy by the amount of intended property tax relief as described above.

For each of the last three fiscal years, \$50 million of General State Aid was allocated to the Property Tax Relief Pool. In the Fiscal Year 2026 Budget, no funds were allocated to the Property Tax Relief Pool.

#### MANDATED CATEGORICAL STATE AID

Illinois school districts are entitled to reimbursement from the State for expenditures incurred in providing programs and services legally required to be available to students under State law. Such reimbursements, referred to as "*Mandated Categorical State Aid*," are made to the school district in the fiscal year following the expenditure, *provided* that the school district files the paperwork necessary to inform the State of such an entitlement. From time to time, Mandated Categorical State Aid payments from the State have been delayed and have been prorated as part of the appropriation process, as described below.

Prior to Fiscal Year 2018, the School Code provided for Mandated Categorical State Aid with respect to mandatory school programs relating to: (a) special education, (b) transportation, (c) free and reduced breakfast and lunch, and (d) orphanage tuition. Beginning with Fiscal Year 2018, Mandated Categorical State Aid is no longer the source of funding for mandatory school programs relating to special education, other than private facility tuition and transportation. Mandated Categorical State Aid received by a district in Fiscal Year 2017 for special education programming no longer available for Mandated Categorical State Aid in Fiscal Year 2018 is included in the Base Funding Minimum for that district.

In addition, although school districts are entitled to reimbursement for expenditures made under these programs, these reimbursements are subject to the State's appropriation process. In the event that the State does not appropriate an amount sufficient to fund fully the Mandated Categorical State Aid owed to each school district, the total Mandated Categorical State Aid is proportionally reduced such that each school district receives the same percentage of its Mandated Categorical State Aid request with respect to a specific category of such aid as every other school district.

In past years, the State has not fully funded all Mandated Categorical State Aid payments. Therefore, pursuant to the procedures discussed above, proportionate reductions in Mandated Categorical State Aid payments to school districts have occurred. However, because these

programs are “mandatory” under the School Code, each school district must provide these programs regardless of whether such school district is reimbursed by the State for the related expenditures. No assurance can be given that the State will make appropriations in the future sufficient to fund fully the Mandatory Categorical State Aid requirements. As such, the District’s revenues may be impacted in the future by increases or decreases in the level of funding appropriated by the State for Mandated Categorical State Aid.

#### COMPETITIVE GRANT STATE AID

The State also provides funds to school districts for expenditures incurred in providing additional programs that are allowed, but not mandated by, the School Code. In contrast to Mandated Categorical State Aid, such “*Competitive Grant State Aid*” is not guaranteed to a school district that provides these programs. Instead, a school district applying for Competitive Grant State Aid must compete with other school districts for the limited amount appropriated each year by the State for such program.

Competitive Grant State Aid is allocated, after appropriation by the State, among certain school districts selected by the State. The level of funding is annually determined separately for each category of aid based on the State’s budget. This process does not guarantee that any funding will be available for Competitive Grant State Aid programs, even if a school district received such funding in a prior year. Therefore, school districts may incur expenditures with respect to certain Competitive Grant State Aid programs without any guarantee that the State will appropriate the money necessary to reimburse such expenditures.

#### PAYMENT FOR MANDATED CATEGORICAL STATE AID AND COMPETITIVE GRANT STATE AID

The State makes payments to school districts for Mandated Categorical State Aid and Competitive Grant State Aid (together, “*Categorical State Aid*”) in accordance with a voucher system involving ISBE. ISBE vouchers payments to the State on a periodic basis. The time between vouchers varies depending on the type of Categorical State Aid in question. For example, with respect to the categories of Mandated Categorical State Aid related to extraordinary special education and transportation, ISBE vouchers the State for payments on a quarterly basis. With respect to Competitive Grant State Aid, a payment schedule is established as part of the application process, and ISBE vouchers the State for payment in accordance with this payment schedule.

Once ISBE has vouchered the State for payment, the State is required to make the Categorical State Aid payments to the school districts. As a general matter, the State is required to make such payments within 90 days after the end of the State’s fiscal year.

See *Exhibit C* for a summary of the District’s general fund revenue sources.

#### FEDERAL COVID-19 FUNDS DISTRIBUTED TO THE DISTRICT

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, had an adverse impact on global economies, including

economic conditions in the United States. In response to the pandemic, federal legislation, particularly the (i) Coronavirus Aid, Relief, and Economic Security Act (commonly known as ESSER I), (ii) Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (commonly known as ESSER II), and (iii) American Rescue Plan of 2021 (commonly known as ESSER III), was enacted to provide funds to mitigate the economic downturn and health care crisis caused by COVID-19.

The District received \$11,696,123 pursuant to ESSER I, \$67,080,859 pursuant to ESSER II and \$157,359,859 pursuant to ESSER III. The District used the initial allocation of ESSER funds for pandemic response, including Chromebooks to support remote 1:1 instruction and personal protective equipment and supplies. The second and third rounds of funding were used to upgrade air quality (\$157,098,046), extend the school day to make up for lost instructional time (\$40,630,294) and increased transportation costs to support the longer school day (\$9,676,730), professional development for staff to enhance Tier I instruction (\$6,091,274), and additional technology purchases (\$5,046,799), with the remainder being spent on a variety of transitional student facing services like social work, health services and attendance. All ESSER funds have been spent.

## RETIREMENT PLANS

The District participates in two defined benefit pension plans: (i) the Teachers' Retirement System of the State of Illinois ("TRS"), which provides retirement benefits to the District's teaching employees, and (ii) the Illinois Municipal Retirement Fund (the "IMRF" and, together with TRS, the "*Pension Plans*"), which provides retirement benefits to the District's non-teaching employees. The District makes certain contributions to the Pension Plans on behalf of its employees, as further described in this section. The operations of the Pension Plans, including the contributions to be made to the Pension Plans, the benefits provided by the Pension Plans, and the actuarial assumptions and methods employed in generating the liabilities and contributions of the Pension Plans, are governed by the Illinois Pension Code, as amended (the "*Pension Code*").

The following summarizes certain provisions of the Pension Plans and the funded status of the Pension Plans, as more completely described in Note 9 to the Audit, as hereinafter defined, attached hereto as APPENDIX A.

## BACKGROUND REGARDING PENSION PLANS

### *The Actuarial Valuation*

The disclosures in the Audit related to the Pension Plans are based in part on the actuarial valuations of the Pension Plans. In the actuarial valuations, the actuary for each of the Pension Plans measures the financial position of the Pension Plan, determines the amount to be contributed to a Pension Plan pursuant to statutory requirements, and produces information mandated by the financial reporting standards (the "*GASB Standards*") issued by the Governmental Accounting Standards Board ("GASB"), as described below.

In producing an actuarial valuation, the actuary for the Pension Plan uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated future salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) and employs various actuarial methods to generate the information required to be included in such valuation.

#### *GASB Standards*

The GASB Standards provide standards for financial reporting and accounting related to pension plans.

The GASB Standards require calculation and disclosure of a “Net Pension Liability” or “Net Pension Asset,” which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the GASB Standards (referred to in such statements as the “*Total Pension Liability*”) and the fair market value of the pension plan’s assets (referred to as the “*Fiduciary Net Position*”).

Furthermore, the GASB Standards employ a rate, referred to in such statements as the “*Discount Rate*,” which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long-term expected rate of return on a pension plan’s investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the GASB Standards.

Finally, the GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer, and that an expense be recognized on the income statement of the employer.

#### *Pension Plans Remain Governed by the Pension Code*

As described above, the GASB Standards establish requirements for financial reporting purposes. However, the Pension Plans are ultimately governed by the provisions of the Pension Code in all respects, including, but not limited to, the amounts to be contributed by the District to the Pension Plans in each year.

### TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The District participates in TRS, which is a cost-sharing multiple-employer defined benefit pension plan that was created by the General Assembly of the State (the “*General Assembly*”) for the benefit of Illinois public school teachers outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer, which includes all school districts located outside of the City of Chicago, to provide services for which teacher licensure is required.

The Pension Code sets the benefit provisions of TRS, which can only be amended by the General Assembly. The State maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

For information relating to the actuarial assumptions and methods used by TRS, including the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate, see Note 9 to the Audit.

#### *Employer Funding of Teachers' Retirement System*

Under the Pension Code, active members contribute 9.0% of creditable earnings to TRS. The State makes the balance of employer contributions to the State on behalf of the District, except for a small portion contributed by the teacher's employer, such as the District. By contract, the District also pays for the employees 9.0% share, which is reflected in the table below. For Fiscal Years 2021 through 2025, all amounts contributed by the District to TRS were as follows:

FISCAL YEAR	TRS CONTRIBUTION
2021	\$16,891,468
2022	17,804,910
2023	19,288,521
2024	22,581,017
2025	20,667,365

Source: The District's Annual Report Remittances provided by TRS for Fiscal Years 2021 through 2025.

For information regarding additional contributions the District may be required to make to TRS with respect to certain salary increases and other programs, see Note 9 to the Audit.

#### ILLINOIS MUNICIPAL RETIREMENT FUND

The District also participates in the IMRF, which is a defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in the State. The IMRF is established and administered under statutes adopted by the General Assembly. The Pension Code sets the benefit provisions of the IMRF, which can only be amended by the General Assembly.

Each employer participating in the IMRF, including the District, has an employer reserve account with the IMRF separate and distinct from all other participating employers (the "IMRF Account") along with a unique employer contribution rate determined by the IMRF Board of Trustees (the "IMRF Board"), as described below. The employees of a participating employer receive benefits solely from such employer's IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information which may be viewed at the IMRF's website.

See Note 9 to the Audit for additional information on the IMRF's actuarial methods and assumptions, including information regarding the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate.

### *Contributions*

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board. The District's contribution rate for calendar year 2024 was 4.99% of covered payroll.

For the calendar years ended December 31, 2020, through December 31, 2024, the District contributed the following amounts to IMRF:

CALENDAR YEAR	IMRF CONTRIBUTION
2020	\$3,690,602
2021	3,600,654
2022	3,031,064
2023	2,251,042
2024	2,887,136

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company as of December 31, 2024.

### *Measures of Financial Position*

The following table presents the measures of the IMRF Account's financial position as of December 31 of the years 2020 through 2024, which are presented pursuant to the GASB Standards.

CALENDAR YEAR ENDED DECEMBER 31	TOTAL PENSION LIABILITY	FIDUCIARY NET POSITION AS A % OF			
		FIDUCIARY NET POSITION	NET PENSION (ASSET)/LIABILITY	TOTAL PENSION LIABILITY	DISCOUNT RATE
2020	\$245,123,920	\$267,411,103	\$(22,287,183)	109.09%	7.25%
2021	253,007,861	300,632,677	(47,624,816)	118.82%	7.25%
2022	262,979,989	247,494,659	15,485,330	94.11%	7.25%
2023	272,261,525	268,785,643	3,475,882	98.72%	7.25%
2024	280,946,145	280,973,604	(27,459)	100.01%	7.25%

Source: The audited financial statements of the District for Fiscal Years 2021 through 2024 and Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company as of December 31, 2024.

See Note 9 to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the District's funding policy, information on the assumptions and methods used by the actuary, and the financial reporting information required by the GASB Standards.

### **OTHER POST-EMPLOYMENT BENEFITS**

The District administers a single-employer defined benefit healthcare plan (the "*Retirees Health Plan*"). The Retirees Health Plan provides health insurance contributions for eligible retirees and their spouses through the District's group health insurance plan which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses receive coverage at established contribution rates. The District subsidizes a portion of the retiree contribution for eligible retirees until reaching age 65. The District's annual other postemployment benefit ("OPEB") cost is calculated based on the annual required contribution of the employer. For Fiscal Year 2025, the District had an annual OPEB cost of (\$3,108,298), and as of July 1, 2025, the Retirees Health Plan had an unfunded actuarial accrued liability of \$36,800,413. For more information regarding the District's OPEB obligations, see Note 7 of the Audit.

### **TEACHER HEALTH INSURANCE SECURITY FUND**

The District participates in the Teacher Health Insurance Security Fund (the "*THIS Fund*"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of TRS.

The State maintains primary responsibility for funding, but contributions from participating employers and members are also required. For Fiscal Year 2025, the District paid \$1,353,413 to the THIS Fund, which was 100% of the required contribution. For more information regarding the District's THIS Fund obligation, see Note 7 to the Audit.

### **BOND RATINGS**

S&P is expected to assign the Bonds an insured rating of "AA" (Stable Outlook) based on the Policy to be issued and delivered by BAM at the time of delivery of the Bonds. S&P has assigned the Bonds an underlying rating of "AA-" (Stable Outlook). These ratings reflect only the views of S&P. An explanation of the methodology for such ratings may be obtained from S&P. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to S&P and BAM by the District. There is no assurance that the ratings will be maintained for any given period of time or that such ratings will not be changed by S&P if, in such rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE", the form of which is attached hereto as APPENDIX C, neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the ratings or to oppose any such revision or withdrawal.

#### **TAX EXEMPTION**

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "*Code*"). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "*OID Issue Price*") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "*OID Bonds*") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "*Revised Issue Price*"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any

such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

#### **CONTINUING DISCLOSURE**

The District will enter into a Continuing Disclosure Undertaking (the “*Undertaking*”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “*MSRB*”) pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the *Undertaking*, including termination, amendment and remedies, are set forth in the form of the *Undertaking*, attached hereto as APPENDIX C.

The District has implemented the March, 2019, update (Issue 100) of the Illinois Association of School Boards’ Policy Reference Education Subscription Service (PRESS) that includes disclosure policies and procedures as 4.40–AP, Preparing and Updating Disclosures. The policies specifically include additional procedures to be followed by the District in relation to the two new reportable events required by the Rule for undertakings entered into on and after February 27, 2019.

There have been no instances in the previous five years in which the District failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolutions and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

#### **AUDITED FINANCIAL STATEMENTS**

The audited financial statements of the District for Fiscal Year 2025 (the “*Audit*”), contained in APPENDIX A, including the independent auditor’s report accompanying the Audit, have been prepared by Baker Tilly US, LLP, Oak Brook, Illinois (the “*Auditor*”), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit.

#### **BOOK-ENTRY ONLY SYSTEM**

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such maturity and series, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“*DTCC*”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are

registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has an S&P rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as

possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

## **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois ("Chapman and Cutler"), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the

District with respect to the Bonds. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

### **NO LITIGATION**

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Bonds are delivered.

### **UNDERWRITING**

Pursuant to the terms of a Bond Purchase Agreement (the "Agreement") between the District and Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the "Underwriter" or "Stifel"), the Underwriter has agreed to purchase the 2026A Bonds at an aggregate purchase price of \$ \_\_\_\_\_. The purchase price will produce an underwriting spread of \_\_\_\_% of the principal amount of the 2026A Bonds. Pursuant to the terms of the Agreement between the District and the Underwriter, the Underwriter has agreed to purchase the 2026B Bonds at an aggregate purchase price of \$ \_\_\_\_\_. The purchase price will produce an underwriting spread of \_\_\_\_% of the principal amount of the 2026B Bonds. The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices different than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

## AUTHORIZATION

This Official Statement has been approved by the District for distribution to prospective purchasers of the Bonds. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, this Official Statement, together with any supplements thereto, as of the date hereof, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/

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Chief Financial Officer  
Rockford School District Number 205,  
Winnebago and Boone Counties, Illinois

\_\_\_\_\_, 2026

## EXHIBITS

Exhibit A shows the District's recent financial history. Exhibit B provides information on the District's Fiscal Year 2026. Exhibit C provides information on the general fund revenue sources of the District.

### EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, FISCAL YEARS ENDED JUNE 30, 2021-2025

	ED <sup>(1)</sup>	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
Beginning Balance	\$119,494,976	\$ 1,877,838	\$10,650,195	\$ 4,573,122	\$3,126,619	\$19,784,802	\$36,911,245	\$ 5,130,093	\$ 2,290,823	\$203,839,713
Revenues	320,249,786	25,435,643	17,338,343	28,986,519	9,663,837	22,889,160	1,099,105	4,336,569	1,336,090	431,335,052
Expenditures	316,595,500	27,328,290	14,715,483	18,963,904	7,881,111	14,199,163	0	6,217,700	1,237,080	407,138,231
Net Transfers	(631,346)	(38,768)	0	(32,902)	0	926,778	(223,762)	0	0	0
Other Sources (Uses)	0	119,429	0	0	0	0	0	0	0	119,429
Ending Balance, 6/30/21	\$122,517,916	\$ 65,852	\$13,273,055	\$14,562,835	\$4,909,345	\$29,401,577	\$37,786,588	\$ 3,248,962	\$ 2,389,833	\$228,155,963
Beginning Balance	\$122,517,916	\$ 65,852	\$13,273,055	\$14,562,835	\$4,909,345	\$29,401,577	\$37,786,588	\$ 3,248,962	\$ 2,389,833	\$228,155,963
Revenues	356,100,550	39,974,918	31,474,318	25,648,949	8,846,067	20,915,108	(241,457)	5,981,771	10,630,766	499,330,990
Expenditures	347,969,445	29,274,474	14,985,483	25,351,060	8,317,222	24,062,651	0	5,368,093	1,815,185	457,143,613
Other Sources (Uses)	0	0	0	5,825	0	0	0	0	0	5,825
Ending Balance, 6/30/22	\$130,649,021	\$10,766,296	\$29,761,890	\$14,866,549	\$5,438,190	\$26,254,034	\$37,545,131	\$ 3,862,640	\$11,205,414	\$270,349,165
Beginning Balance	\$130,649,021	\$10,766,296	\$29,761,890	\$14,866,549	\$5,438,190	\$26,254,034	\$37,545,131	\$ 3,862,640	\$11,205,414	\$270,349,165
Revenues	396,096,693	33,987,690	15,569,350	28,041,748	9,189,048	77,757,012	1,296,338	6,109,771	13,355,251	581,402,901
Expenditures	382,733,140	37,706,695	15,966,431	28,580,013	7,900,409	78,250,239	0	6,597,886	4,492,135	562,226,948
Other Sources (Uses)	0	61,678	697,448	34,889	0	0	0	0	0	794,015
Ending Balance, 6/30/23	\$144,012,574	\$ 7,108,969	\$30,062,257	\$14,363,173	\$6,726,829	\$25,760,807	\$38,841,469	\$ 3,374,525	\$20,068,530	\$290,319,133
Beginning Balance	\$144,012,574	\$ 7,108,969	\$30,062,257	\$14,363,173	\$6,726,829	\$25,760,807	\$38,841,469	\$ 3,374,525	\$20,068,530	\$290,319,133
Revenues	418,227,198	41,510,782	17,096,357	27,228,187	7,522,507	77,932,659	2,286,464	11,182,171	9,709,257	612,695,582
Expenditures	413,202,968	38,486,388	15,753,158	29,322,775	8,351,982	70,863,705	0	8,722,466	10,569,760	595,273,202
Other Sources (Uses)	0	27,671	0	17,798	0	0	0	0	0	45,469
Ending Balance, 6/30/24	\$149,036,804	\$10,161,034	\$31,405,456	\$12,286,383	\$5,897,354	\$32,829,761	\$41,127,933	\$ 5,834,230	\$19,208,027	\$307,786,982
Beginning Balance	\$149,036,804	\$10,161,034	\$31,405,456	\$12,286,383	\$5,897,354	\$32,829,761	\$41,127,933	\$ 5,834,230	\$19,208,027	\$307,786,982
Revenues	401,876,693	38,672,264	17,278,912	31,384,343	8,744,710	33,431,776	2,493,599	9,183,515	2,397,550	545,463,362
Expenditures	405,079,844	34,933,892	16,040,133	28,540,771	9,158,103	59,869,575	0	9,018,270	12,643,270	575,283,858
Other Sources (Uses)	73,147	25,698	0	107,696	0	0	0	0	9,900,000 <sup>(2)</sup>	10,106,541
Ending Balance, 6/30/25	\$145,906,800	\$13,925,104	\$32,644,235	\$15,237,651	\$5,483,961	\$ 6,391,962	\$43,621,532	\$ 5,999,475	\$18,862,307	\$288,073,027

Source: The audited financial statements of the District for Fiscal Years 2021 through 2025.

Note: In the District's audited financial statements, health insurance is listed as a separate proprietary fund. In the District's annual financial report that is filed with ISBE, the District combines health insurance costs through an allocation method and spreads them between the Educational, Operations and Maintenance and Transportation Funds. The numbers in the table above do not include health insurance costs.

(1) Excludes payments made by the State to TRS with respect to District employees, commonly referred to as "on-behalf" payments and student activity funds.

(2) Includes proceeds of the 2025 Bonds.

## EXHIBIT B — BUDGET, FISCAL YEAR ENDING JUNE 30, 2026

	ED <sup>(1)</sup>	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
EST. BEGINNING BALANCE, 7/1/25	\$135,009,000	\$15,970,000	\$32,474,000	\$13,638,000	\$6,287,000	\$17,037,000	\$43,345,000	\$6,295,000	\$21,411,000	\$291,466,000
REVENUES	417,332,231	35,604,000	19,278,909	30,925,000	8,905,000	10,921,000	1,580,000	5,500,000	1,280,000	531,326,140
EXPENDITURES	419,739,472	33,851,815	18,068,113	31,211,249	9,924,524	37,074,676	0	9,803,370	5,868,784	565,542,003
OTHER SOURCES (USES)	0	0	0	0	0	30,000,000 <sup>(2)</sup>	0	0	0	30,000,000
EST. ENDING BALANCE, 6/30/26	\$132,601,759	\$17,722,185	\$33,684,796	\$13,351,751	\$5,267,476	\$20,883,324	\$44,925,000	\$1,991,630	\$16,822,216	\$287,250,137

Source: Budget for the District for Fiscal Year 2026. The beginning fund balances were estimated by the District at the time the budget was adopted. Consequently, such balances may not match the ending fund balances set forth in the District's audited financial statements for Fiscal Year 2025.

(1) Excludes payments made by the State to TRS with respect to District employees, commonly referred to as "on-behalf" payments.

(2) Includes estimated proceeds of a bond issue.

**EXHIBIT C—GENERAL FUND REVENUE SOURCES,  
FISCAL YEARS ENDED JUNE 30, 2021-2025**

	YEAR ENDED JUNE 30, 2021	YEAR ENDED JUNE 30, 2022	YEAR ENDED JUNE 30, 2023	YEAR ENDED JUNE 30, 2024	YEAR ENDED JUNE 30, 2025
Local Sources	35.83%	36.26%	36.91%	35.14%	36.20%
State Sources	49.17%	47.55%	45.64%	43.46%	47.49%
Federal Sources	<u>15.01%</u>	<u>16.19%</u>	<u>17.45%</u>	<u>21.40%</u>	<u>16.30%</u>
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Source: The audited financial statements of the District for Fiscal Years 2021 through 2025. For purposes of this Exhibit, the General Fund includes the Educational Fund and the Operations and Maintenance Fund.

**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS OF THE  
DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025**



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

AS OF/FOR THE YEAR  
ENDED JUNE 30, 2025

**FINANCE DEPARTMENT ISSUING REPORT**

**OFFICIALS ISSUING REPORT**

Dr. Ehren Jarrett – Superintendent

Dr. Greg Brown – Chief Financial Officer

Ms. Jamie Murray - Executive Director of Finance



District No. 205 | 501 7th Street, Rockford, IL 61104 | 815.966.3000 | [rps205.com](http://rps205.com)

Annual Comprehensive Financial Report

of

**Rockford Public Schools  
District No. 205**

Rockford, Illinois

As of and for the Year Ended June 30, 2025

Officials Issuing Report

Dr. Ehren Jarrett - Superintendent  
Dr. Greg Brown - Chief Financial Officer  
Jamie Murray - Executive Director of Finance

Department Issuing Report

Finance

# **Rockford Public Schools District No. 205**

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# **Rockford Public Schools District No. 205**

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# **Rockford Public Schools District No. 205**

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# INTRODUCTORY SECTION

AS OF/FOR THE YEAR  
ENDED JUNE 30, 2025



# **Rockford Public Schools, District #205**

## **Principal Officials**

June 30, 2025

### **Board of Education**

Paul Carpenter

Nicole Bennett

June Stanford

Denise Pearson

Tiana McCall

Kimberly Haley

Patricia Chavez

### **Superintendent and Cabinet**

Dr. Ehren Jarrett, Superintendent

Lori Hoadley, General Counsel

Dr. Morgan Gallagher, Chief of Schools

Michael Phillips, Chief Operating Officer

Tucona Crowder, Chief Human Resource Officer

Dr. Antoine Reed, Chief of Culture and Student Engagement

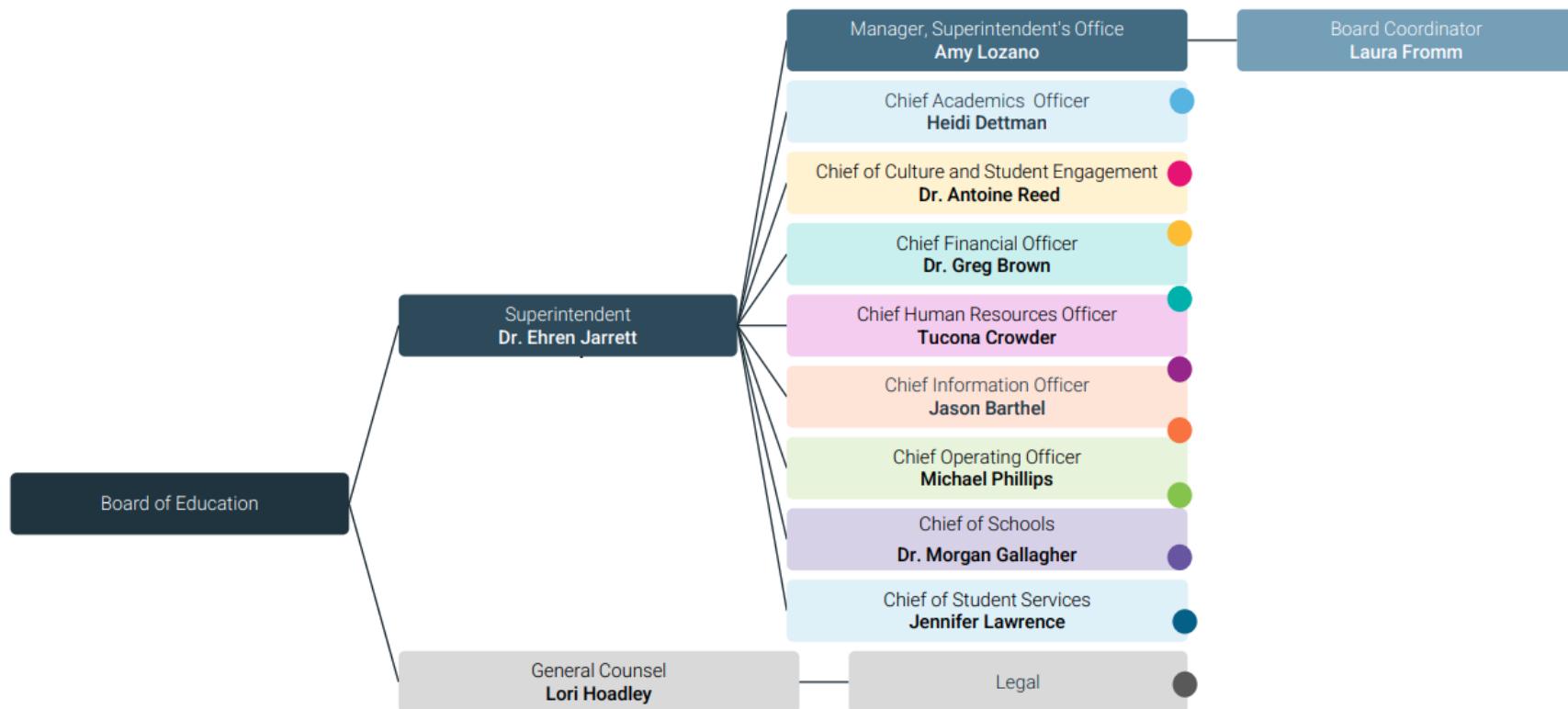
Dr. Greg Brown, Chief Financial Officer

Heidi Dettman, Chief Academic Officer

Jason Barthel, Chief Information Officer

Jennifer Lawrence, Chief of Student Services

# Superintendent's Cabinet





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Rockford Public Schools #205  
Illinois**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Monill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Rockford Public School District No 205**  
**for its Annual Comprehensive Financial Report**  
**for the Fiscal Year Ended June 30, 2024.**

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



A handwritten signature in black ink that reads 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte**  
President

A handwritten signature in black ink that reads 'James M. Rowan'.

**James M. Rowan, CAE, SFO**  
CEO/Executive Director



Financial Services Department  
501 7<sup>th</sup> Street  
Rockford, IL 61104

November 11, 2025

President and Members of the Board of Education  
and Citizens of Rockford Public School District No. 205  
Rockford, Illinois

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of Rockford Public Schools District No. 205 (the District), Rockford, Illinois, as of and for the year ended June 30, 2025. The audit was completed and the Independent Auditor's Report issued on November 11, 2025.

#### **Management Responsibilities**

Management of the District is responsible for establishing and maintaining a comprehensive framework of internal control to provide a reasonable basis for asserting that the financial statements are fairly presented and to ensure that adequate accounting data is properly recorded to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The information contained in this report is based on the comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as shown by the disclosure of all financial activity of its various funds; and that all disclosures, necessary for public understanding of the District's financial status, have been incorporated within this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

#### **Financial Reporting and Budgetary Controls**

The ACFR includes all funds of the District and is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the District's Principal Officials and Organizational Chart, and recognitions for financial reporting. The Financial Section includes the Independent Auditor's Report on the financial

statements: following that is the Management's Discussion and Analysis; then the audited basic financial statements, including notes to the financial statements, required and other supplemental information such as combining and individual fund financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

The District maintains strict budgetary controls to ensure fiscal responsibility. Management is authorized to make expenditures within the approved budget levels. This process ensures that all budget overruns are reviewed and authorized at the appropriate level of oversight, promoting transparency and accountability in the District's financial management.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. The internal controls are also tested on an annual basis by the outside independent accounting firm selected by the Board of Education. Periodically, the Illinois State Board of Education will also perform routine reviews of the District's internal control structures. No audits resulted in repayment of any state or federal monies for the year ended June 30, 2025.

#### **Independent Audit**

The School Code of Illinois and the District require an annual audit of the financial statements of all funds of the District by an independent certified public accountant in conformance with prescribed standards and legal requirements. Because the District receives more than \$750,000 of federal awards, the District is also subject to and required to have what is commonly referred to as a "Single Audit" of the federal awards. Single Audits cover the entire organization's financial operations and are substantially more detailed than a regular independent audit.

The certified public accountant is selected by the Board of Education. The Board selected Baker Tilly US, LLP, independent certified public accountants. Baker Tilly US, LLP has issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2025 and has also conducted the Single Audit of federal awards as required by Federal regulations. The audit report has been included in the financial section of this report and the submission of the ACFR is intended to meet these annual audit requirements.

#### **DISTRICT PROFILE**

##### **Legal Autonomy and Fiscal Independence**

The Rockford Public School District is organized under the School Code of the State of Illinois, as amended. The District exists as a legal entity deriving its just powers from the General Assembly of the State of Illinois through the State Board of Education for the purpose of providing a system of free public education. The District constitutes a body politic and corporate with all powers as prescribed by laws including, but not limited to, the power to sue and be sued, purchase, hold and sell personal property and real estate, and enter into such obligations as are authorized or implied by law. It has the statutory authority to adopt its own budget, levy taxes and issue bonded debt without the approval of another government and it is not considered a component unit of any other entity.

The legal authority of the Board of Education is transmitted through the Superintendent or designee along specific paths from person to person as shown in the Board-approved organizational chart of the District. The lines of authority on the

organizational chart (page ii) represent direction of authority and responsibility. The Board of Education expects the Superintendent or designee to keep the administrative structure up-to-date with the need for supervision and accountability throughout the school district.

### **Reporting Entity and Its Services**

The Rockford Public School District covers about 155 square miles (401 km<sup>2</sup>) and served 28,809 students in the 2024-25 school year. It is among the largest school districts in the State of Illinois, with 20 elementary schools, 6 middle schools, 5 high schools (Roosevelt, Jefferson, Guilford, East, and Auburn), 6 special program schools, and 4 early childhood centers (Summerdale, Fairview, Beyer and Nashold). The District is primarily in Winnebago County with a small section in Boone County. The District serves the communities of Rockford, Loves Park, Machesney Park, Cherry Valley, New Milford, Argyle, Roscoe, Caledonia and many outlying unincorporated areas. The District board approved Charter School Agreements with three charter schools (Jackson, Legacy and Galapagos). The District provides funding to the charter schools by providing Per Capita Tuition Charge (PCTC) per each enrolled charter school student. School Code and Illinois State Board of Education dictate the PCTC calculation parameters. The PCTC rate used for FY25 was \$14,168.46.

The District's 3,906 full-time equivalent employees (1,899 teachers, 368 certified support, 1,439 non-certified staff, and 200 administrators) served 28,094 students for the 2023-2024 school year, with expenditures totaling \$690.8 million.

The governing body consists of a seven-member Board of Education elected from within seven sub-district boundaries. School Board seats are divided into two lots of four seats to run for election for terms of 2 years or 4 years and the entire Board will be up for re-election every 10 years to coincide with the decennial census. The Superintendent and staff administer day-to-day operations.

### **Board of Education**

<u>Official</u>	<u>Position</u>	<u>Term Expires</u>
Paul Carpenter	President	April 2027
Nicole Bennett	Vice President	April 2029
June Stanford	Secretary	April 2027
Tiana McCall	Member	April 2027
Denise Pearson	Member	April 2027
Kimberly Haley	Member	April 2029
Patricia Chavez	Member	April 2029

### **ECONOMIC CONDITION**

#### **Economic Condition and Outlook**

The local economy is diversified with advanced manufacturing, aerospace, automotive and health care as its primary base, while logistics, call center/office operations, distribution centers and educational institutions have become more important to the economy in recent years. While the Rockford Region is home to large operations such as: Stellantis, Woodward Inc., Lowes, Supplycore, General Mills, Mercy Health System, University of Wisconsin Health System, OSF Healthcare, Amazon, FedEx, United Parcel Service, and Collins Aerospace Systems, the heart of the business community is driven by the large

number of small and medium sized home grown entrepreneurial companies. Coupled with the Rockford Airport, which is the 13th largest freight/logistics airfield in the country, the community will benefit from increased specialized manufacturing and logistics activity in the years to come.

The region has a highly skilled workforce with an unemployment rate of approximately 4.3%. The regional unemployment rate continues to be unduly impacted by the sustained shutdown of the Stellantis (Chrysler) auto plant in Belvidere. Despite the Stellantis shutdown, the economic outlook for the region remains positive.

The District boundaries span both Winnebago and Boone Counties with over 99% of its equalized assessed valuation being located within Winnebago County. Evidence Based Funding (EBF) is the District's single largest revenue source at \$190,156,655 in FY25. Local property tax revenue is the District's second largest revenue source at \$160,416,340. State grants and mandated categorical payments are the District's third largest revenue source at \$134,750,839 for FY25.

The State of Illinois, despite recent financial highlights, remains in financial difficulty because of chronic underfunding of The State Teachers Retirement System pension obligation. There have been a number of proposals to shift the unfunded pension cost to local school districts but at this time no firm plan is in place to shift the State's obligation. The State's share of pension payments, known as "on behalf payments", for the District were \$96.4 million in FY25.

As noted above, a large share of the District's revenues are sourced from local property taxes. The property tax base is derived from the Equalized Assessed Valuation (EAV) of the property within the District's boundaries. District property values peaked at \$2,848,246,719 in tax year 2008 and declined each year thereafter until hitting a low of \$1,960,780,052 in tax year 2015. The EAV over the last nine tax years has increased and the most recent EAV, 2024 tax year, is \$3,469,417,392 which is an increase over the prior year of 13.6%. The Board made the decision to levy New Property and CPI in the 2024 tax levy for additional revenue for the District. Within the past ten years CPI peaked at 9.1 percent in 2022 and hit a low of 0.7 percent in 2015. The twelve month non-seasonally adjusted rate of inflation was 2.7% as of June 2025.

### Long-term financial planning

The District continues to review all expenditures to assure that the district is making efficient and fiscally responsible decisions. The District regularly updates rolling five-year projections to identify any trends that would require changes in District practices. The District earned the State Board of Education's top financial profile rating called "financial recognition" in fiscal year 2024 for the ninth consecutive year.

During this same time period the District's General Fund balance has increased from \$89,963,394 in fiscal year 2014 to \$190,950,281 in fiscal year 2025. Over the next five years management will continue to strive to maintain a minimum fund balance of 25% of annual operating fund expenditures in the operating funds. As of June 30, 2025, the District's net general bonded debt was \$129,880,737. The Board has approved a five year \$180,000,000 Facility Master Plan (FMP), which began during FY 25. The District issued \$9,900,000 of General Obligation School Bonds during FY 25 to cover some of these projects. Administration believes approximately \$120 million could be borrowed under the District's Debt Service Extension Base and School Fire Prevention and Safety Bonds as part of completion of the FMP. Management will continue to identify and recommend solutions for maintaining a responsible level of debt while addressing the District's capital project needs.

### Current and Projected Enrollment

The District had 28,809 students enrolled during FY25, which was a slight increase over FY24. The racial makeup of the student population in FY25 was 25.3% White, 31.18% African American, 31.9% Hispanic, 0.1% Asian/Pacific Islander, 0.3% American Indian, and 7.6% multi-racial. The District qualifies for the Community Eligibility Provision Program, a free meal program administered by the United States Department of Agriculture. All students are eligible for no cost meals at school each day.

The District engaged Flo Analytics to update enrollment projections during FY25. Projections for the next two fiscal years appear to be relatively stable, with enrollment declining by only several hundred students each year. The decline is mainly due to attrition as larger upper grade levels and smaller lower grade levels matriculate through the years. Birth rates have stabilized over the last couple of years and there has recently been positive migration into the District's boundaries. The migration into the District has largely been non-native English-speaking students. The District has had to shift staffing to meet the needs of these new students.

### Age of School Buildings

The District recently completed a 10-year facilities master plan that reduced the average age of the school buildings from 57 years to 50 years. The \$285,000,000 plan included building two new schools, additions to 22 schools and extensive renovations, including updating mechanical systems (HVAC, plumbing, electrical, etc.), replacing and repairing exterior building components (glazing, tuckpointing, etc.), cosmetic refreshes (painting, etc.) and demolition of obsolete buildings.

In addition to the 10-year master plan work, in September 2024, the District finalized extensive renovations on mechanical systems throughout the District using approximately \$157,000,000 of COVID relief funds. Every building within the District has air conditioning and other modern mechanical systems. While the average age of the building themselves didn't change, the average age of the mechanical systems was significantly reduced.

The District embarked on a new five-year Facility Master Plan during FY24. Teachers, students, parents, interested external stakeholders, and other school staff participated in the year-long process. The new five-year plan that was approved by the Board contemplates spending approximately \$180,000,000 beginning in FY25. Improvements contemplated by the plan include investments for Career and Technical Education, expansion of special program schools, and much needed renovation of learning spaces in all buildings. Renovations include science labs, performing arts upgrades, related service staff support spaces, accessible restrooms, and energy efficiency projects to name a few. The work of the Facility Master Planning Team actually identified needs well beyond the Board approved amount of \$180,000,000 and those projects that were not prioritized for the current five-year plan will form the nucleus of the next master plan.

### Relevant Financial Policies and Procedures

The District's budget serves as the guide to direct and control expenditures and is the spending plan for the ensuing fiscal year. Budgetary control is maintained at line-item levels and built up into location, department, and program totals before being combined to create fund totals. Actual operating activity is compared to budget and is reported to the District's Administrative team and to the Board of Education monthly. The reports compare year-to-date activity versus budget and prior year actual. Full disclosures are made if extraordinary variances appear during the year. The Board of Education has a balanced budget policy and each year strives to reach this goal.

The Board of Education (the Board) adopts the annual budget (August 2024), subsequent to a public hearing and prior to filing the annual tax levy. The Board recognizes the right of the public to be informed about the budgeting of public tax

monies and therefore made the budget available for public examination at least thirty days prior to the final adoption as set forth in the Illinois School Code. The Superintendent or designee posted the District's final budget, itemized by receipts and expenditures, on the District's official website. The Board may amend the budget by the same procedures that adhere to the original budget adoption when transfers exceed the ten percent limitations. The Board may also authorize the treasurer to make loans, interfund transfers, and transfer within funds from the Operations and Maintenance Fund, Educational Fund, Transportation Fund, and/or Working Cash Fund in accordance with the Illinois School Code.

Operational Services Board Fund Balance Policy states the District will target a fund balance percentage of not less than 25%, representing approximately three months of operating expenses.

### **Vision and Strategic Goals**

Rockford Public School District's vision is to be the first choice for all families. The District implemented a Strategic Plan for the 2015-2016 school year and updated that plan during the 2021-22 school year to sharpen the focus of the original plan. The ultimate outcome of this sharpened focus was to eliminate predictable outcomes based on a student's zip code. The focused plan identifies four universal goals for the succeeding three-year period (FY23, FY24 and FY25).

- ***Goal One – Third Grade Literacy***  
The focus of Goal 1 is to grow third grade literacy scores by five percentage points by 2025.
- ***Goal Two – Third Grade Math***  
The focus of Goal 2 is to grow third grade math scores by five percentage points by 2025.
- ***Goal Three – Middle School On-Track***  
The focus of Goal 3 is to grow the middle school on-track rate by five percentage points by 2025.
- ***Goal Four – Freshman On-Track and High School Graduation***  
The focus of Goal 4 is to grow the freshman on-track rate and high school graduation rate to seventy-five percentage points by 2025. This goal was maintained in FY25.

The refocused plan continues to represent the vision of our community and the scores of community members, local leaders and staff that developed the original plan. This updated plan guides both Board members and District staff over the final year as we work together with students, families and the community at large to meet these four highly focused goals.

### **Core Academic and Support Services**

The District provides the following services on a continuing basis.

- Core Curriculum – Instruction in core curricular areas, such as math, reading, sciences, social sciences and writing, starting in pre-kindergarten through grade 12.
- Alternative Education Programs – We provide a variety of structures and environments so that each student can find a learning venue that is sufficiently comfortable to facilitate success.

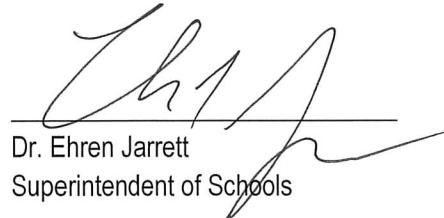
- Guidance Counseling – All students receive the support of a comprehensive counseling program that inspires and empowers them to make decisions, set future goals and then actively pursue them.
- Special Education – We provide curriculum aligned to the national standards, make decisions based on performance data and focus on the unique needs of students with disabilities to ensure they leave school well prepared for continued learning and successful employment.
- English Language Learner Education – We provide transitional support services at buildings that need this programming and also offer dual language Immersion programming at select buildings.
- Choice Curriculum – We offer specialized programs of study for students who are gifted or talented or who have interests and/or abilities in creative and performing arts, environmental science and various branches of career education.

#### Awards and Acknowledgements

The District was the recipient of Association of School Business Officials (ASBO) International *Certificate of Excellence in Financial Reporting Award* last fiscal year, having been a recipient of this reward for fourteen of the past fifteen years. The District received the Government Finance Officers Association *Certificate of Achievement for Excellence in Financial Reporting* award for last fiscal year. The District has received the award for the past eight consecutive years. In addition, these awards reflect the District's commitment to the highest standards of school system financial reporting.

The preparation of this report could not have been accomplished without the support and cooperation of elected members of the Board, other District departments, and dedicated efforts of the entire staff of the Finance Department. We truly appreciate the efforts of all the contributors to this report.

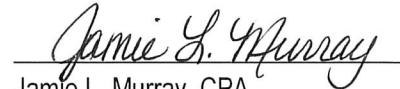
Respectfully Submitted,



Dr. Ehren Jarrett  
Superintendent of Schools



Greg Brown, Ed.D., CPA, CSBO  
Chief Financial Officer



Jamie L. Murray, CPA  
Executive Director of Finance

# FINANCIAL SECTION

AS OF/FOR THE YEAR  
ENDED **JUNE 30, 2025**



## **Independent Auditors' Report**

To the Board of Education of  
Rockford Public Schools District No. 205

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Rockford Public Schools District No. 205 (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's 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.

### ***Auditors' 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 auditors' 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's 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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is fluid and cursive, with "Baker Tilly" on the top line and "US, LLP" on the bottom line.

Oak Brook, Illinois  
November 11, 2025

# **Rockford Public Schools, District 205**

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Management's Discussion and Analysis (Unaudited)  
As of and For the Year Ended June 30, 2025

The discussion and analysis of Rockford Public Schools, District 205's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2025. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance one's understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A").

## **Financial Highlights**

- > With total assets and deferred outflows of \$957.9 million and total liabilities and deferred inflows of \$552.6 million the District's total net position was \$405.3 million at fiscal year-end June 30, 2025. Of this amount approximately \$306.9 million represents the District's net investment in capital assets, \$92.8 million was held for restricted purposes and \$5.6 million is classified as unrestricted.
- > Total revenues decreased \$68.2 million from \$701.4 million in fiscal year 2024 to \$633.2 million in fiscal year 2025 and expenses increased \$37.5 million from \$566.3 million in fiscal year 2024 to \$603.8 million resulting in a positive change in net position of \$29.4 million.
- > Governmental funds ending fund balance decreased from \$309.3 million in fiscal year 2024 to \$289.5 million in fiscal year 2025, a decrease of \$19.8 million.
- > At the end of the current fiscal year fund balance for the General Fund was \$190.9 million or 37.9% of total General Fund expenditures. In comparison, the prior year's fund balance was \$191.6 million or 37.6% of General Fund expenditures.
- > Governmental activities long-term obligations (excluding claims and judgments, compensated absences, early retirement incentives, other post-employment benefits, and net pension liabilities) totaled \$162.5 million at the end of the current fiscal year compared to \$163.2 million at the end of the previous year, which represents a decrease of \$.7 million or -.4%.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- > Government-wide financial statements,
- > Fund financial statements, and
- > Notes to basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

# Rockford Public Schools, District 205

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Management's Discussion and Analysis (Unaudited)  
As of and For the Year Ended June 30, 2025

## *Government-wide financial statements*

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business, and are reported using the accrual basis of accounting and economic resources measurement focus.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be divided into two types of activities: governmental and business-type. Governmental activities represent the functions of the District that are principally supported by taxes and intergovernmental revenues. The District's governmental activities include functions such as instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities, and transportation services. The District participates in the Community Eligibility Provision (CEP) program for food service, therefore no business-type activities are presented.

## *Fund financial statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds and fund types of the District can be divided into the following categories: governmental funds, proprietary funds and fiduciary funds.

### Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the Major Funds, which consist of the General Fund (including the Working Cash Fund), Operations and Maintenance Fund, Capital Projects Fund, Debt Service Fund and Transportation Fund. Aggregate information is presented for the Non-Major Funds, which consist of Municipal Retirement/Social Security Fund, Fire Prevention and Life Safety Fund and Tort Immunity Fund.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with this budget.

## **Rockford Public Schools, District 205**

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Management's Discussion and Analysis (Unaudited)  
As of and For the Year Ended June 30, 2025

### Proprietary funds

Proprietary funds are used to account for the District's ongoing operations and activities, which are similar to those found in the private sector. The measurement focus is based upon the determination of net income. The District has one proprietary fund, an internal service fund, which accounts for the District's self-insured health plan.

### Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support District programs. The accounting used for fiduciary funds is full accrual. These activities are excluded from the government-wide financial statements because the District cannot use these funds to finance operations.

### *Notes to basic financial statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### *Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's contributions and funding progress of the Illinois Municipal Retirement Fund, Teachers' Retirement System, Teachers' Health Insurance Security Fund and the Retiree Health Plan, as well as budget-to-actual comparisons of the funds.

## **Government-Wide Financial Analysis**

**Net Position:** The District's total net position increased in 2025 by \$29.4 million from \$375.9 million to \$405.3 million at the end of 2025. The increase in the change in net position for fiscal year 2025 is primarily attributable to the capitalization of expenditures related to capital projects funded through federal operating grants. Rather than being recognized as expenses in the current period, these costs were capitalized as capital assets and will be depreciated over their useful lives. This accounting treatment resulted in lower immediate expense recognition relative to the grant revenue received, thereby contributing to a positive change in net position despite a decline in total revenues and an overall increase in operating expenses. The following provides a summary of the District's net position (in millions of dollars) at June 30, 2025 and 2024.

# Rockford Public Schools, District 205

Management's Discussion and Analysis (Unaudited)

As of and For the Year Ended June 30, 2025

**Table 1**  
**Condensed Statement of Net Position**  
**(in millions of dollars)**

	<u>Governmental Activities</u>		
	<u>2025</u>	<u>2024</u>	<u>Change</u>
<b>Assets:</b>			
Current and other assets	\$ 451.7	\$ 487.8	-7.4%
Capital assets	461.6	416.6	10.8%
Total assets	<u>913.3</u>	<u>904.4</u>	1.0%
<b>Deferred outflows of resources:</b>			
Pension and OPEB items	<u>44.6</u>	<u>49.7</u>	-10.3%
Total deferred outflows of resources:	<u>44.6</u>	<u>49.7</u>	-10.3%
<b>Liabilities:</b>			
Long-term liabilities	259.4	259.2	0.1%
Other liabilities	84.6	91.5	-7.5%
Total liabilities	<u>344.0</u>	<u>350.7</u>	-1.9%
<b>Deferred inflows of resources:</b>			
Property taxes levied for subsequent years	90.7	86.0	5.5%
Pension and OPEB Items	<u>117.9</u>	<u>141.5</u>	-16.7%
Total deferred inflows of resources:	<u>208.6</u>	<u>227.5</u>	-8.3%
<b>Net position:</b>			
Net investment in capital assets	306.9	273.8	12.1%
Restricted	92.8	110.6	-16.1%
Unrestricted	5.6	(8.5)	-165.9%
Total net position	<u>\$ 405.3</u>	<u>\$ 375.9</u>	7.8%

# Rockford Public Schools, District 205

Management's Discussion and Analysis (Unaudited)

As of and For the Year Ended June 30, 2025

The total cost of all governmental programs and services was approximately \$603.8 million for the year ended June 30, 2025, an increase in costs from the prior year of approximately \$37.5 million or 6.6%. The District's expenses are predominantly related to instruction and other pupil services such as transportation and nutrition, aggregating approximately 77% in total. The remaining 23% consists of general administration activities at 14%, operation and maintenance at 7%, the remaining 2% in other expenses.

The following provides a summary of the District's changes in net position (in millions of dollars) for the years ended June 30, 2025 and June 30, 2024:

**Table 2**  
**Condensed Statement of Activities**  
**(in millions of dollars)**

	<u>Governmental Activities</u>		
	<u>2025</u>	<u>2024</u>	<u>Change</u>
<b>Revenues:</b>			
<i>Program revenues:</i>			
Charges for services	\$ 5.5	\$ 5.3	3.8%
Operating grants and contributions	223.4	285.9	-21.9%
Capital grants and contributions	1.1	1.1	0.0%
<i>General revenues:</i>			
Taxes	193.4	206.5	-6.3%
Evidence Based Funding	190.1	179.9	5.7%
Other general revenues	19.7	22.7	-13.2%
<b>Total revenues</b>	<b>633.2</b>	<b>701.4</b>	<b>-9.7%</b>
<b>Expenses:</b>			
Instruction	364.1	343.5	6.0%
Pupil and Instructional services	67.3	57.4	17.2%
General Administration	81.6	76.9	6.1%
Maintenance and Operations	40.1	38.7	3.6%
Transportation	33.5	34.7	-3.5%
Other	17.2	15.1	13.9%
<b>Total expenses</b>	<b>603.8</b>	<b>566.3</b>	<b>6.6%</b>
Change in net position	29.4	135.1	-78.2%
Net position, beginning of year	375.9	240.8	56.1%
<b>Net position, end of year</b>	<b>\$ 405.3</b>	<b>\$ 375.9</b>	<b>7.8%</b>

# Rockford Public Schools, District 205

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Management's Discussion and Analysis (Unaudited)  
As of and For the Year Ended June 30, 2025

## Governmental Activities

Taxes decreased \$13.1 million or 6.3% in 2025 due to reduction in shared Corporate Personal Property Replacement taxes. Revenue received by the State under Evidence Based Funding increased by \$10.2 million in 2025.

Operating grants and contributions accounted for the largest portion of the District's revenues contributing 35%. Taxes were the second largest at 31% and Evidence Based Funding was the third largest source of revenue at 30%.

### Governmental Revenues by Source (in millions of dollars)

Property Taxes	\$160.4
CPPRT	33.0
Operating grants and contributions	223.4
Capital grants and contributions	1.1
Evidence Based Funding	190.1
Other	19.7
Charges for services	5.5
Total governmental revenues by source	<u>\$633.2</u>

The total cost of all the District programs was \$603.8 million, mainly related to instructing and caring for students. The table below presents the cost (in millions of dollars) of six major District activities: instruction, pupil and instructional services, general administration, maintenance and operations, transportation, and other for the governmental activities.

### Governmental Expenses by Function (in millions of dollars)

Instruction	\$364.1
Pupil and Instructional Services	67.3
General Administration	81.6
Maintenance and Operations	40.1
Transportation	33.5
Other	17.2
Total governmental expenses by source	<u>\$603.8</u>

The cost of all governmental activities this year was \$603.8 million. Individuals who directly participated or benefited from a program paid for \$5.5 million of the costs through fees. Federal and state governments subsidized certain programs with grants of \$224.5 million. The remaining cost of services was financed by District taxpayers through property taxes and Corporate Personal Property Replacement Taxes totaling approximately \$193.4 million and other state grants which are not restricted to specific programs of approximately \$190.1 million.

## **Rockford Public Schools, District 205**

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Management's Discussion and Analysis (Unaudited)  
As of and For the Year Ended June 30, 2025

### **Financial Analysis of the District's Funds**

The financial performance of the District is also reflected in its governmental funds throughout the fund financial statements. The District completed the year with a total governmental net change in fund balance of (\$19.8) million, a decrease of \$37.2 million from the prior year's total governmental net change in fund balance of \$17.4 million. The decrease is due to expenditures incurred in the Capital Projects Fund related to the District's Facility Master Plan. These capital outlays were funded using previously accumulated fund balance in accordance with the District's long-term financial strategy to invest in infrastructure improvements.

The General Fund, which includes the Educational Fund, Special Education Fund, Grants Fund, Food Service Fund, and Working Cash Fund, is the fund that is available for core instruction, student programs and meals for our students. The General Fund had a decrease in fund balance of \$0.7 million for the year ended June 30, 2025. This decrease is primarily the result of a \$26.4 million reduction in COVID-19 relief funds, which was only partially offset by a reduction in expenditures compared to the prior year. Despite the decrease in fund balance, the General Fund maintained a strong financial position, ending the year with a fund balance of \$190.9 million, representing 37.9% of General Fund expenditures, which is in line with the District's financial reserve policies.

The Transportation Fund is the fund that provides student transportation. It had a fund balance increase of \$2.9 million for the year ended June 30, 2025, largely related to an increase in state aid.

The Operations & Maintenance Fund is the fund used for repairs, maintenance and upkeep of the District's buildings and grounds. It had a fund balance increase of \$3.7 million for the year ended June 30, 2025 compared to \$3.0 million in the previous year.

The Capital Projects Fund is the fund used to account for the acquisition and/or construction of, and/or additions to, major capital facilities. The fund balance decreased \$26.4 million for the year ended June 30, 2025. A little over half of the Capital Projects during fiscal year 2025 were grant funded through COVID-19 relief funds – ESSER ARP (American Rescue Plan) and Corporate Personal Property Replacement Tax. The decrease in the fund balance is mainly related to improvements made as part of a multi-year Facility Master Plan that the District began in 2025.

The Debt Service Fund is the fund which accounts for the financial resources used for payment of principal and interest on long-term general obligation/capital appreciation debt of the governmental funds. The fund balance increased \$1.3 million, which is consistent with prior year in order to cover future debt payments.

### **General Fund Budgetary Highlights**

The District approved the original budget for fiscal year 2025 in August 2024. Revenues were higher than budgeted by \$99.6 million and expenditures were higher than budgeted by \$96.2 million. The following schedule presents the general fund summary of revenues and expenses with budgetary comparisons.

## Rockford Public Schools, District 205

Management's Discussion and Analysis (Unaudited)  
As of and For the Year Ended June 30, 2025

**Table 3**

**General Fund Budget vs. Actual**  
**(in millions of dollars)**

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Revenues:</b>			
Property taxes	\$ 95.6	\$ 97.7	2.2%
Corporate personal property replacement taxes	13.0	10.0	-23.1%
State aid	210.6	306.4	45.5%
Federal Aid	71.4	71.9	0.7%
Investment income	8.8	12.0	36.4%
Student activities	2.0	1.7	-100.0%
Refund of prior years' expenditures	0.0	0.3	0.0%
Other	1.5	2.5	66.7%
Total revenues	402.9	502.5	24.7%
<b>Expenses:</b>			
Instruction	257.3	356.8	38.7%
Pupil and Instructional services	66.5	63.4	-4.7%
Administration and Business	49.0	50.1	2.2%
Maintenance and Operations	1.3	1.3	0.0%
Transportation	2.2	1.7	-22.7%
Central	16.5	15.7	-4.8%
Other supporting services	0.3	0.3	0.0%
Community services	8.6	8.0	-7.0%
Payments to other districts and govt units	3.9	3.8	-2.6%
Capital outlay	1.5	2.2	46.7%
Total expenditures	407.1	503.3	23.6%
Excess (deficiency) of revenues over expenditures	(4.2)	(0.8)	-81.9%
<b>Other Financing sources (Uses):</b>			
Transfers In	-	-	0.0%
Transfers Out	-	-	0.0%
Sale or compensation for fixed assets	-	0.1	0.0%
Total Other Financing sources (Uses)	0.0	0.1	0.0%
Net Change in Fund Balance	\$ (4.2)	\$ (0.7)	
Fund Balance, beginning of year		191.6	
Fund Balance, end of year		\$ 190.9	

# Rockford Public Schools, District 205

Management's Discussion and Analysis (Unaudited)

As of and For the Year Ended June 30, 2025

Many items contributed to the revenue and expenditure variances, including:

- > Teachers' Retirement System State on behalf of payments for revenues and expenditures were not budgeted; however, actuals were \$96.4 million. These numbers are not known at the time the budget is prepared. This change has no effect on fund balance as the revenues and expenses are equal;
- > Investment income was more than budgeted by \$3.2 million due to higher interest rates.

## Capital Assets and Debt Administration

### *Capital assets*

At the end of fiscal year 2025, the District had total investments of \$776.9 million (\$461.6 million net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. The increase in capital assets reflects progress on the District's Facility Master Plan improvements. Total depreciation expense for the year was \$31.8 million. More detailed information about capital assets can be found in Note 4 of the basic financial statements.

**Table 4**  
**Capital Assets (net of depreciation)**  
**(in millions of dollars)**

	<u>Governmental Activities</u>		
	<u>2025</u>	<u>2024</u>	<u>Change</u>
Land	\$11.9	\$11.9	0.0%
Construction in progress	52.8	125.3	-57.9%
Land improvements	17.5	12.8	36.7%
Buildings and building improvements	361.8	247.1	46.4%
Transportation equipment	7.4	8.7	-14.9%
Food service equipment	0.4	0.4	0.0%
Furniture, fixtures and other equipment	9.8	10.3	-4.9%
Software	0.0	0.1	-100.0%
<b>Total</b>	<b>\$461.6</b>	<b>\$416.6</b>	<b>10.8%</b>

## **Rockford Public Schools, District 205**

Management's Discussion and Analysis (Unaudited)

As of and For the Year Ended June 30, 2025

### *Debt Administration*

At the end of fiscal year 2025, the District had total long-term debt of \$278.9 million and a legal debt margin of \$344.9 million. More detailed information about long-term debt can be found in Note 5 of the basic financial statements.

**Table 5**  
**Long-Term Debt**  
**(in millions of dollars)**

	<u>Governmental Activities</u>		
	<u>2025</u>	<u>2024</u>	<u>Change</u>
General obligation and capital appreciation bonds	\$162.5	\$163.2	-0.4%
Net pension liability – TRS	16.5	15.2	8.6%
Net pension liability – IMRF	0.0	3.5	-100.0%
Total OPEB Liability	91.8	87.6	4.8%
Compensated absences and other	8.1	8.5	-4.7%
<b>Total</b>	<b>\$278.9</b>	<b>\$278.0</b>	<b>0.3%</b>

### **Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was in a stable and sustainable financial position and unaware of any adverse financial conditions that would materially affect the District's ability to deliver services or meet its obligations in the future. While reductions in federal grant revenues are anticipated to continue, the District has maintained healthy reserves and remains committed to prudent financial management.

### **Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, 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:

Gregory W. Brown, CPA, Ed.D, CSBO  
Rockford Public Schools, District 205  
501 7th St.  
Rockford, IL 61104

# Rockford Public Schools District No. 205

Statement of Position  
June 30, 2025

## Governmental Activities

### Assets and Deferred Outflows of Resources

#### Assets

Cash and investments	\$ 353,830,964
Student activity cash and investments	1,421,649
Receivables (net of allowance for uncollectibles):	
Property taxes	75,418,236
Intergovernmental	16,402,095
Interest	1,917,499
Other	725,851
Prepaid items	1,903,092
Net pension asset	27,459
Capital assets	
Land	11,953,950
Construction in progress	52,833,867
Capital assets being depreciated, net of accumulated depreciation	396,834,666
 Total assets	 913,269,328

#### Deferred Outflows of Resources

Deferred outflows related to pensions, IMRF	10,220,883
Deferred outflows related to pensions, TRS	4,111,474
Deferred outflows related to OPEB, THIS	19,382,618
Deferred outflows related to OPEB, RPS	10,948,048
 Total deferred outflows of resources	 44,663,023
 Total assets and deferred outflows of resources	 957,932,351

### Liabilities, Deferred Inflows of Resources and Net Position

#### Liabilities

Accounts payable	25,397,951
Salaries and wages payable	36,388,080
Other current liabilities	16,374
Interest payable	2,086,367
Unearned revenue	1,125,562
Long-term liabilities:	
Other long-term liabilities, due within one year	19,595,123
Other long-term liabilities, due after one year	259,362,416
 Total liabilities	 343,971,873

#### Deferred Inflows of Resources

Property taxes levied for a future period	90,686,959
Deferred inflows related to pensions, IMRF	95,917
Deferred inflows related to pensions, TRS	1,047,846
Deferred inflows related to OPEB, THIS	106,494,611
Deferred inflows related to OPEB, RPS	10,314,947
 Total deferred inflows of resources	 208,640,280
 Total liabilities and deferred inflows of resources	 552,612,153

#### Net Position

Net investment in capital assets	306,880,616
Restricted for:	
Nutrition services	13,114,442
Operations and maintenance	13,925,104
Student transportation	15,237,651
Retirement benefits	5,511,420
Debt service	32,644,235
Capital projects	6,391,962
Tort immunity	5,999,475
Unrestricted	5,615,293
 Total net position	 \$ 405,320,198

See notes to basic financial statements

# Rockford Public Schools District No. 205

Statement of Activities  
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental activities</b>						
Instruction:						
Regular programs	\$ 129,224,802	\$ 1,993,230	\$ 37,766,592	\$ -	\$ (89,464,980)	
Special programs	86,384,677	1,005,957	54,747,656	-	(30,631,064)	
Other instructional programs	61,087,738	47,175	1,607,559	-	(59,433,004)	
Student activities	1,751,580	1,694,076	-	-	(57,504)	
Support services:						
Pupils	43,732,546	-	2,470,691	-	(41,261,855)	
Instructional staff	23,526,473	-	1,493,628	-	(22,032,845)	
General administration	11,929,715	-	-	-	(11,929,715)	
School administration	24,376,055	-	-	-	(24,376,055)	
Business	26,025,873	142,385	21,212,886	-	(4,670,602)	
Transportation	33,467,423	577,430	18,429,648	-	(14,460,345)	
Operations and maintenance	40,104,285	83,985	-	1,062,155	(38,958,145)	
Central	19,256,284	-	-	-	(19,256,284)	
Other supporting services	1,357,121	-	-	-	(1,357,121)	
Intergovernmental:						
State retirement contributions	85,692,180	-	85,692,180	-	-	
Payments to other districts and government units, excluding special education	1,115,689	-	23,059	-	(1,092,630)	
Other:						
Community services	9,062,096	-	-	-	(9,062,096)	
Interest and other	5,719,617	-	-	-	(5,719,617)	
<b>Total governmental activities</b>	<b>\$ 603,814,154</b>	<b>\$ 5,544,238</b>	<b>\$ 223,443,899</b>	<b>\$ 1,062,155</b>	<b>(373,763,862)</b>	
<b>General Revenues</b>						
Taxes:						
Real estate taxes, levied for general purposes					97,674,656	
Real estate taxes, levied for specific purposes					47,792,925	
Real estate taxes, levied for debt service					14,948,759	
Intergovernmental:						
Personal property replacement taxes					32,951,313	
Evidence based funding					190,156,655	
Investment income					18,235,158	
Miscellaneous					1,440,259	
<b>Total general revenues</b>					<b>403,199,725</b>	
Change in net position					29,435,863	
<b>Net Position, Beginning</b>					<b>375,884,335</b>	
<b>Net Position, Ending</b>					<b>\$ 405,320,198</b>	

See notes to basic financial statements

# Rockford Public Schools District No. 205

Balance Sheet -  
Governmental Funds  
June 30, 2025

	Major Funds		
	General Fund	Transportation Fund	Operations & Maintenance Fund
<b>Assets</b>			
Cash	\$ 217,311,294	\$ 17,700,068	\$ 17,888,961
Student activity cash and investments	1,421,649	-	-
Receivables (net of allowance for uncollectibles):			
Property taxes	44,715,072	5,453,801	11,130,505
Intergovernmental	16,402,095	-	-
Interest	1,857,507	-	-
Other	607,918	117,625	308
Prepaid items	1,806,048	-	47,044
 Total assets	 \$ 284,121,583	 \$ 23,271,494	 \$ 29,066,818
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 7,270,523	\$ 1,725,534	\$ 2,704,636
Salaries and wages payable	35,552,466	360,830	295,173
Unearned revenue	1,125,562	-	-
Other current liabilities	16,374	-	-
 Total liabilities	 43,964,925	 2,086,364	 2,999,809
<b>Deferred Inflows of Resources</b>			
Property taxes levied for a future period	48,771,395	5,947,479	12,141,905
Unavailable other receivable	434,982	-	-
 Total deferred inflows of resources	 49,206,377	 5,947,479	 12,141,905
<b>Fund Balances</b>			
Nonspendable	1,806,048	-	47,044
Restricted for:			
Nutrition services	13,114,442	-	-
Operations and maintenance	-	-	13,878,060
Student transportation	-	15,237,651	-
Retirement benefits	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Tort immunity	-	-	-
Assigned for:			
Capital projects	-	-	-
Student activities	1,421,649	-	-
Unassigned	174,608,142	-	-
 Total fund balances	 190,950,281	 15,237,651	 13,925,104
 Total liabilities, deferred inflows of resources and fund balances	 \$ 284,121,583	 \$ 23,271,494	 \$ 29,066,818

See notes to basic financial statements

Major Funds				Total
Capital Projects Fund	Debt Service Fund	Non Major Funds	Governmental Funds	
\$ 16,221,845	\$ 41,711,577	\$ 33,058,114	\$ 343,891,859	
-	-	-	1,421,649	
-	7,727,309	6,391,549	75,418,236	
-	-	-	16,402,095	
-	59,992	-	1,917,499	
-	-	-	725,851	
-	-	50,000	1,903,092	
<u>\$ 16,221,845</u>	<u>\$ 49,498,878</u>	<u>\$ 39,499,663</u>	<u>\$ 441,680,281</u>	
\$ 9,829,883	\$ -	\$ 2,002,872	\$ 23,533,448	
-	-	179,511	36,387,980	
-	-	-	1,125,562	
-	-	-	16,374	
<u>9,829,883</u>	<u>-</u>	<u>2,182,383</u>	<u>61,063,364</u>	
-	16,854,643	6,971,537	90,686,959	
-	-	-	434,982	
-	16,854,643	6,971,537	91,121,941	
-	-	50,000	1,903,092	
-	-	-	13,114,442	
-	-	-	13,878,060	
-	-	-	15,237,651	
-	-	5,483,961	5,483,961	
-	32,644,235	-	32,644,235	
6,391,962	-	1,380,620	7,772,582	
-	-	5,949,475	5,949,475	
-	-	17,481,687	17,481,687	
-	-	-	1,421,649	
-	-	-	174,608,142	
<u>6,391,962</u>	<u>32,644,235</u>	<u>30,345,743</u>	<u>289,494,976</u>	
<u>\$ 16,221,845</u>	<u>\$ 49,498,878</u>	<u>\$ 39,499,663</u>	<u>\$ 441,680,281</u>	

# Rockford Public Schools District No. 205

## Reconciliation of Governmental Funds Balance Sheet

to Statement of Net Position

June 30, 2025

### Total Fund Balances, Governmental Funds

\$ 289,494,976

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

Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.

461,622,483

Net pension assets recognized in the Statement of Net Position do not provide current financial resources and are not included as assets in the Governmental Funds Balance Sheet.

Net pension asset - IMRF 27,459

Certain revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet.

434,982

Deferred outflows of resources related to pensions and OPEB do not relate to current financial resources and are not reported in the governmental funds.

Deferred outflows related to pensions, IMRF 10,220,883

Deferred outflows related to pensions, TRS 4,111,474

Deferred outflows related to OPEB, THIS 19,382,618

Deferred outflows related to OPEB, RPS Plan 10,948,048

Interest on long-term liabilities accrued in the Statement of Net Position will not be paid with current financial resources and, therefore, is not recognized in the Governmental Funds Balance Sheet.

(2,086,367)

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

General obligation bonds (141,220,000)

Capital appreciation bonds (13,769,436)

Unamortized bond premium (7,535,536)

Worker's compensation claims payable (3,425,390)

Early retirement incentive payable (447,854)

Compensated absences (1,253,872)

Net pension liability, TRS (16,546,632)

Net OPEB liability, THIS (54,959,815)

Total OPEB liability, RPS Plan (36,800,413)

Deferred inflows of resources related to pensions and OPEB do not relate to current financial resources and are not reported in the governmental funds.

Deferred inflows related to pensions, IMRF (95,917)

Deferred inflows related to pensions, TRS (1,047,846)

Deferred inflows related to OPEB, THIS (106,494,611)

Deferred inflows related to OPEB, RPS Plan (10,314,947)

Internal services funds are reported in the Statement of Net Position as governmental activities.

5,075,911

### Net Position of Governmental Activities

\$ 405,320,198

# Rockford Public Schools District No. 205

Statement of Revenues, Expenditures and Changes in Fund Balances -

Governmental Funds

Year Ended June 30, 2025

	Major Funds		
	General Fund	Transportation Fund	Operations & Maintenance Fund
<b>Revenues</b>			
Property taxes	\$ 97,703,907	\$ 11,639,464	\$ 21,697,138
Corporate personal property replacement taxes	10,021,554	-	15,000,000
State aid	306,441,996	18,429,648	35,850
Federal aid	71,908,232	-	181,822
Investment income	11,910,993	729,456	781,853
Student activities	1,694,076	-	-
Refund of prior years' expenditures	272,702	2,971	23,602
Payments of surplus monies from TIF districts	-	-	75,827
Other	2,535,370	582,804	876,172
Total revenues	502,488,830	31,384,343	38,672,264
<b>Expenditures</b>			
Current:			
Instruction:			
Regular programs	124,495,443	-	-
Special programs	77,458,206	-	-
Other instructional programs	56,586,573	-	-
Student activities	1,751,580	-	-
Support services:			
Pupils	39,366,727	-	-
Instructional staff	24,069,731	-	-
General administration	6,008,004	-	-
School administration	22,321,019	-	-
Business	21,758,770	-	6,688
Transportation	1,673,426	28,206,117	-
Operations and maintenance	1,296,979	-	31,162,361
Central	15,675,857	-	-
Other supporting services	325,308	48,334	541,834
Community services	8,021,240	-	-
Intergovernmental:			
State retirement contributions	96,424,162	-	-
Payments to other districts and government units	3,792,149	-	-
Capital outlay	2,230,412	286,320	3,223,009
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Total expenditures	503,255,586	28,540,771	34,933,892
Excess (deficiency) of revenues over expenditures	(766,756)	2,843,572	3,738,372
<b>Other Financing Sources (Uses)</b>			
Principal on bonds sold	-	-	-
Sale or compensation for fixed assets	73,147	107,696	25,698
Total other financing sources (uses)	73,147	107,696	25,698
Net change in fund balances	(693,609)	2,951,268	3,764,070
<b>Fund Balances, Beginning (as previously reported)</b>	191,643,890	12,286,383	-
Accounting changes (see note disclosure)	-	-	10,161,034
<b>Fund Balances, Beginning (as adjusted)</b>	191,643,890	12,286,383	10,161,034
<b>Fund Balances, Ending</b>	\$ 190,950,281	\$ 15,237,651	\$ 13,925,104

See notes to basic financial statements

**Major Funds**

<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Non Major Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 14,948,759	\$ 14,427,072	\$ 160,416,340
3,699,793	-	4,229,966	32,951,313
-	-	-	324,907,494
28,074,904	1,062,155	-	101,227,113
1,207,076	1,267,998	1,667,648	17,565,024
-	-	-	1,694,076
450,003	-	1,089	750,367
-	-	-	75,827
-	-	-	3,994,346
<b>33,431,776</b>	<b>17,278,912</b>	<b>20,325,775</b>	<b>643,581,900</b>

-	-	1,374,510	125,869,953
-	-	1,415,533	78,873,739
-	-	1,042,787	57,629,360
-	-	-	1,751,580
-	-	1,575,466	40,942,193
-	-	314,141	24,383,872
-	-	5,095,742	11,103,746
-	-	817,545	23,138,564
-	-	1,112,750	22,878,208
-	-	1,738,524	31,618,067
1,548,213	-	3,366,321	37,373,874
-	-	1,016,258	16,692,115
-	-	91,069	1,006,545
-	-	189,919	8,211,159
-	-	-	96,424,162
-	-	-	3,792,149
58,321,362	-	11,579,078	75,640,181
-	10,385,000	-	10,385,000
-	5,655,133	90,000	5,745,133
<b>59,869,575</b>	<b>16,040,133</b>	<b>30,819,643</b>	<b>673,459,600</b>
<b>(26,437,799)</b>	<b>1,238,779</b>	<b>(10,493,868)</b>	<b>(29,877,700)</b>

-	-	9,900,000	9,900,000
-	-	-	206,541
-	-	9,900,000	10,106,541
<b>(26,437,799)</b>	<b>1,238,779</b>	<b>(593,868)</b>	<b>(19,771,159)</b>
<b>32,829,761</b>	<b>31,405,456</b>	<b>41,100,645</b>	<b>309,266,135</b>
-	-	(10,161,034)	-
<b>32,829,761</b>	<b>31,405,456</b>	<b>30,939,611</b>	<b>309,266,135</b>
<b>\$ 6,391,962</b>	<b>\$ 32,644,235</b>	<b>\$ 30,345,743</b>	<b>\$ 289,494,976</b>

*See notes to basic financial statements*

## Rockford Public Schools District No. 205

### Reconciliation of Statement of Revenues, Expenditures and Changes in Fund

#### Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2025

<b>Net Change in Total Governmental Fund Balances</b>	<b>\$ (19,771,159)</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	
Capital expenditures	76,920,571
Depreciation	(31,806,542)
Net book value of assets retired	(137,080)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
	(739,916)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Interest payable	(130,991)
Worker's compensation claims payable	(724,139)
Early retirement incentive payable	79,084
Compensated absences	649,325
State on-behalf contribution revenue	(10,731,982)
State on-behalf contribution expense	10,731,982
Net pension asset, IMRF	27,459
Net pension liability, IMRF	3,475,882
Deferred outflows related to pensions, IMRF	(8,747,518)
Deferred inflows related to pensions, IMRF	108,454
Net pension liability, TRS	(1,377,741)
Deferred outflows related to pensions, TRS	(446,666)
Deferred inflows related to pensions, TRS	382,402
Net OPEB liability, THIS	(7,269,713)
Deferred outflows related to OPEB, THIS	5,415,781
Deferred inflows related to OPEB, THIS	21,617,916
Total OPEB liability, RPS	3,108,298
Deferred outflows related to OPEB, RPS	(1,283,022)
Deferred inflows related to OPEB, RPS	1,534,877
The accretion of long-term debt provides current financial resources to the governmental funds, while principal repayment consumes current financial resources of the governmental funds.	
Neither transaction, however, has any effect on net position.	
Principal paid	10,385,000
Accretion on bonds outstanding	(832,054)
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities.	
Amortization of bond premium	988,561
The issuance of long-term debt and related premiums are reported as other financing sources in the governmental funds, but issuance increases long-term liabilities in the Statement of Net Position.	
Bonds issued	(9,900,000)
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund is reported with governmental activities.	
	(12,091,206)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 29,435,863</b>

# Rockford Public Schools District No. 205

Statement of Net Position -  
Proprietary Fund  
June 30, 2025

	Internal Service Fund	Insurance Fund
<b>Assets</b>		
Current assets:		
Cash	\$ 9,939,105	
		<u>9,939,105</u>
Total assets		<u>9,939,105</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	1,864,503	
Salaries and wages payable	100	
Claims payable	<u>2,998,591</u>	
		<u>4,863,194</u>
Total liabilities		<u>4,863,194</u>
<b>Net Position</b>		
Unrestricted	<u>5,075,911</u>	
		<u>5,075,911</u>
Total net position	<u>\$ 5,075,911</u>	

# Rockford Public Schools District No. 205

Statement of Revenues, Expenses and Changes in Fund Net Position -

Proprietary Fund

Year Ended June 30, 2025

	<u>Internal Service Fund</u>	<u>Insurance Fund</u>
<b>Operating Revenues</b>		
Employer contributions	\$ 46,082,205	
Employee contributions	9,081,484	
Retiree contributions	408,281	
Refund of prior years' expenses	<u>61,600</u>	
 Total operating revenues	 <u>55,633,570</u>	
<b>Operating Expenses</b>		
Insurance premiums	1,481,669	
Stop-loss premiums	1,738,517	
Administrative fees and other	2,477,440	
Health claims incurred	<u>62,697,284</u>	
 Total operating expenses	 <u>68,394,910</u>	
 Operating income (loss)	 <u>(12,761,340)</u>	
<b>Nonoperating Revenues</b>		
Investment income	<u>670,134</u>	
 Total nonoperating revenues	 <u>670,134</u>	
 Change in net position	 <u>(12,091,206)</u>	
<b>Net Position, Beginning</b>	<u>17,167,117</u>	
<b>Net Position, Ending</b>	<u>\$ 5,075,911</u>	

# Rockford Public Schools District No. 205

Statement of Cash Flows -

Proprietary Fund

Year Ended June 30, 2025

	Internal Service Fund	Insurance Fund
<b>Cash Flows From (to) Operating Activities</b>		
Cash received from employer	\$ 46,082,205	
Cash received from employees	9,081,484	
Cash received from retirees	408,281	
Cash received from others	61,600	
Cash paid to vendors	<u>(68,426,874)</u>	
Net cash flows from operating activities	<u>(12,793,304)</u>	
<b>Cash Flows From Investing Activities</b>		
Income received on investments	<u>670,134</u>	
Net cash flows from investing activities	<u>670,134</u>	
Net increase (decrease) in cash and cash equivalents	<u>(12,123,170)</u>	
<b>Cash and Cash Equivalents, Beginning</b>	<u>22,062,275</u>	
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 9,939,105</u>	
<b>Reconciliation of Operating Income to Net Cash Flows from Operating Activities</b>		
Operating income (loss)	\$ (12,761,340)	
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Change in operating assets, deferred outflows of resources and liabilities:		
Accounts payable	410,340	
Salaries and wages payable	100	
Claims payable	<u>(442,404)</u>	
Total adjustments	<u>(31,964)</u>	
Net cash flows from operating activities	<u>\$ (12,793,304)</u>	

# Rockford Public Schools District No. 205

Statement of Fiduciary Net Position -

Fiduciary Funds

June 30, 2025

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and investments	\$ 88,177
Total assets	<u>88,177</u>
<b>Liabilities</b>	
Total liabilities	-
<b>Net Position</b>	
Unrestricted	<u>88,177</u>
Total net position	<u>\$ 88,177</u>

# Rockford Public Schools District No. 205

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Statement of Changes in Fiduciary Net Position -

Fiduciary Funds

Year Ended June 30, 2025

	<b>Custodial Funds</b>
<b>Additions</b>	
Contributions:	
Participant contributions	\$ 40,764
Intergovernmental contributions	<u>1,005</u>
Total additions	<u>41,769</u>
<b>Deductions</b>	
Distributions to participants	64,616
Distributions to other organizations	385
Distributions for assessment intervention	<u>16,125</u>
Total deductions	<u>81,126</u>
Change in fiduciary net position	<u>(39,357)</u>
<b>Net Position, Beginning</b>	<u>127,534</u>
<b>Net Position, Ending</b>	<u>\$ 88,177</u>

# **Rockford Public Schools District No. 205**

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Notes to Basic Financial Statements

June 30, 2025

## **1. Summary of Significant Accounting Policies**

Rockford Public Schools District No. 205 (the District) operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

### **Reporting Entity**

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

### **Basis of Presentation**

#### **Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

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) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### **Governmental Funds Financial Statements**

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds, proprietary funds, and fiduciary funds; the fiduciary funds are excluded from the government-wide financial statements.

### **Measurement Focus and Basis of Accounting**

The government-wide financial statements, proprietary fund statements and fiduciary fund 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 earned.

# **Rockford Public Schools District No. 205**

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Notes to Basic Financial Statements  
June 30, 2025

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Grants and similar items are recognized as revenue when all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

## **Major Governmental Funds**

### **General Fund**

The general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

This fund also includes student activity funds held and controlled by the District, under the direction of district personnel, and administrative involvement of the board of education.

### **Capital Projects Fund**

Capital Projects Fund accounts for the financial resources that are restricted, committed or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

### **Debt Service Fund**

Debt Service Fund accounts for the financial resources, the use of which is restricted by Illinois School Code for the payment of principal and interest on long-term general obligation/capital appreciation debt of the governmental funds.

### **Transportation Fund**

Transportation Fund accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

### **Operations & Maintenance Fund**

Operations & Maintenance Fund accounts for expenditures made for repair and maintenance of the District's building and land. Revenue consists primarily of local property taxes.

### **Proprietary Fund**

#### **Insurance Fund**

Insurance Fund accounts for the District's self-insured health plan for employees and other benefits, funded by charges to the various departments of the District and by employee and retiree contributions.

# **Rockford Public Schools District No. 205**

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Notes to Basic Financial Statements  
June 30, 2025

## **Other Fund Types**

### **Fiduciary Funds**

Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, and/or other governments, including for tax assessments, UNICEF/ Special Olympics fundraising, and Class funds.

On-behalf payments (payments made by a third party for the benefit of the district, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, personal property replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## **All Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**

### **Deposits and Investments**

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

### **Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

# **Rockford Public Schools District No. 205**

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Notes to Basic Financial Statements  
June 30, 2025

## **Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

## **Property Tax Revenues**

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2024 levy resolution was approved during the December 17, 2024 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt) PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2024 and 2023 tax levies were 3.4% and 5.0%, respectively.

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2024 property tax levy is recognized as a receivable in fiscal 2025, net of estimated uncollectible amounts approximating 1% and less amounts already received. The District considers that the first installment of the 2024 levy is to be used to finance operations in fiscal 2025. The District has determined that the second installment of the 2024 levy is to be used to finance operations in fiscal 2026 and has included the corresponding receivable as a deferred inflow of resources.

## **Personal Property Replacement Taxes**

Personal property replacement taxes are first allocated to the Municipal Retirement / Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

## **Prepaid Items**

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

## **Capital Assets**

Capital assets, which include land, construction in progress, buildings and improvements, equipment and vehicles are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

# **Rockford Public Schools District No. 205**

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Notes to Basic Financial Statements  
June 30, 2025

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Land improvements	20-30
Buildings and improvements	5-30
Infrastructure	20-30
Recreation equipment and structures	10-30
Vehicles	3-10
Administrative equipment	5-7

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

## **Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

## **Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2025 are determined on the basis of current salary rates and include salary related payments.

Certified employees working less than 12 months a year do not earn vacation days; however, noncertified full-time employees earn vacation days which vest as they accrue.

All full-time employees receive various numbers of sick and personal days per year based on the collective bargaining agreements or policies in place. These days may accumulate to an unlimited number of days. These accumulated sick days may be paid in cash or may be applied to earn additional years of service under the retirement plans. The District has not recognized a fund liability in the governmental funds for the vested amount. However, this liability is recorded in the government-wide financial statements. Sick and personal days are reported as an expense and liability as it accrues in the government-wide statements.

## **Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

# Rockford Public Schools District No. 205

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Notes to Basic Financial Statements  
June 30, 2025

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

## Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

## Equity Classifications

Equity is classified as net position in the government-wide financial statements and displayed in three components:

**Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets less than any unspent debt proceeds.

**Restricted Net Position** - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Equity is classified as fund balance in the fund financial statements and displayed in five components:

**Nonspendable** - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships).

**Restricted** - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

**Committed** - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

**Assigned** - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education has declared that the Board-appointed Treasurer may assign amounts for a specific purpose. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

# **Rockford Public Schools District No. 205**

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Notes to Basic Financial Statements  
June 30, 2025

**Unassigned** - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. In all other funds (Special Revenue, Debt Service, Capital Projects), assigned fund balance will be spent first, followed by committed fund balance, and then restricted fund balance.

The District has a formal minimum fund balance policy. For purposes of this policy, fund balance has been defined as the total fund balances of the General, Operations and Maintenance and Transportation funds. The district targets a fund balance percentage of not less than 25% of operating expenses (in those respective funds) measured on June 30th each year.

Governmental fund balances reported on the fund financial statements at June 30, 2025 are as follows:

The nonspendable fund balance in the General Fund, Operations and Maintenance Fund and nonmajor funds is comprised of \$1,806,048, \$47,044 and \$50,000, respectively, for prepaid items.

## **Comparative Data**

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which such summarized information was derived.

## **Eliminations and Reclassifications**

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation.

## **2. Stewardship, Compliance and Accountability**

### **Excess of Expenditures Over Budget**

For the year ended June 30, 2025, expenditures exceeded budget in the Capital Projects Fund, Debt Service Fund and Tort Immunity Fund by \$9,433,716, \$300 and \$113,614, respectively. The General Fund excess resulted primarily from on-behalf payments exceeding expectations and being offset by related on-behalf revenue. Other excesses were funded by additional revenue available in the same year.

# Rockford Public Schools District No. 205

Notes to Basic Financial Statements  
June 30, 2025

### 3. Deposits and Investments

At year end, the District's cash and investments was comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>
Deposits	\$ 101,499,927	\$ 104,191,884
ISDLAF+ term series	17,928	17,928
U.S. Treasury securities	21,992,204	21,992,204
U.S. agency securities, implicitly guaranteed	33,695,591	33,695,591
State and local government bonds	166,191,321	166,191,321
Negotiable certificates of deposit	19,921,199	19,921,199
Corporate bonds	12,022,220	12,022,220
Petty cash	400	-
 Total	 <u>\$ 355,340,790</u>	 <u>\$ 358,032,347</u>
 Reconciliation to financial statements		
Per statement of net position:		
Cash and investments	\$ 353,830,964	
Student activity cash and investments	1,421,649	
Per statement of fiduciary net position, fiduciary funds:		
Cash and investments	88,177	
 Total	 <u>\$ 355,340,790</u>	

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and Level 2 valuation inputs.

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. treasury securities	\$ -	\$ 21,992,204	\$ -	\$ 21,992,204
U.S. agency securities	-	33,695,591	-	33,695,591
State and local government bonds	-	166,191,321	-	166,191,321
Corporate bonds	-	12,022,220	-	12,022,220
Negotiable certificates of deposit	-	19,921,199	-	19,921,199
 Total	 <u>\$ -</u>	 <u>\$ 253,822,535</u>	 <u>\$ -</u>	 <u>\$ 253,822,535</u>

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy limits the maturities on its investment portfolio as follows: 1) Repurchase agreements must mature in less than 330 days, and 2) Short-term obligations of corporations must mature no later than 270 days from the date of purchase.

# Rockford Public Schools District No. 205

Notes to Basic Financial Statements

June 30, 2025

At year end, the District had the following investments:

Investment Type	Investment Maturity (In Years)				
	Fair Value	Less Than One	1-5	6-10	More Than 10
U.S. treasury securities	\$ 21,992,204	\$ 237,257	\$ 21,754,947	\$ -	\$ -
U.S. agency securities	33,695,591	4,803,346	14,105,220	13,791,145	995,880
State and local government bonds	166,191,321	19,154,467	103,335,763	40,668,898	3,032,193
Corporate bonds	12,022,220	7,482,425	4,539,795	-	-
Negotiable certificates of deposit	19,921,199	9,145,237	10,775,962	-	-
<b>Total</b>	<b>\$ 253,822,535</b>	<b>\$ 40,822,732</b>	<b>\$ 154,511,687</b>	<b>\$ 54,460,043</b>	<b>\$ 4,028,073</b>

**Redemption Notice Period** - Investments in ISDLAF's Term Series may be redeemed upon seven days' advance notice. Redemption prior to maturity may result in the realization of a loss on the investment, including a penalty in an amount necessary to recoup the Term Series penalty charges, losses and other costs attributable to the early redemption.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District's investment policy limits investments in municipal bonds to those ranked in the four highest general classifications established by nationally recognized rating service.

As of June 30, 2025, the District's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investors Services
U.S. agency securities	NR to AA+	Aa1
State and local government bonds	NR to AAA	NR to Aaa
Corporate bonds	NR to AA-	Baa1 to Aa2
Negotiable certificates of deposit	NR	NR to Aa3

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAA and are valued at share price, which is the price for which the investment could be sold.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy limits the amount that the District may invest in short-term obligations of corporations to no more than one-third of the District's funds. There are no further limits on the amounts that may be invested in one issuer.

## Rockford Public Schools District No. 205

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Notes to Basic Financial Statements

June 30, 2025

At June 30, 2025, the the following investments were exposed to concentration of credit risk.

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Banks	U.S. agencies, implicitly guaranteed	9.50%

**Custodial Credit Risk - Deposits** - With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2025, the bank balance of the District's deposit with financial institutions totaled \$104,191,884; of this amount, none was uncollateralized and uninsured.

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

Occasionally certain funds participating in the common bank accounts will incur overdrafts (deficits) in the account. The overdrafts result from expenditures that have been approved by the Board of Education.

# Rockford Public Schools District No. 205

Notes to Basic Financial Statements

June 30, 2025

## 4. Capital Assets

Capital asset activity for the District for the year ended June 30, 2025 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 11,953,950	\$ -	\$ -	\$ 11,953,950
Construction in progress	<u>125,293,731</u>	<u>37,748,383</u>	<u>110,208,247</u>	<u>52,833,867</u>
Total capital assets not being depreciated	<u>137,247,681</u>	<u>37,748,383</u>	<u>110,208,247</u>	<u>64,787,817</u>
Capital assets being depreciated:				
Land improvements	21,346,691	5,875,564	-	27,222,255
Building improvements	496,599,746	141,608,950	-	638,208,696
Furniture, fixtures and other equipment	19,276,672	1,881,833	221,280	20,937,225
Food service equipment	2,464,090	14,088	86,794	2,391,384
Transportation equipment	21,424,855	-	257,549	21,167,306
Software	<u>2,160,885</u>	<u>-</u>	<u>-</u>	<u>2,160,885</u>
Total capital assets being depreciated	<u>563,272,939</u>	<u>149,380,435</u>	<u>565,623</u>	<u>712,087,751</u>
Less accumulated depreciation for:				
Land improvements	8,539,808	1,156,791	-	9,696,599
Building improvements	249,448,721	26,970,618	-	276,419,339
Furniture, fixtures and other equipment	9,037,647	2,205,253	164,035	11,078,865
Food service equipment	1,999,382	76,507	86,794	1,989,095
Transportation equipment	12,702,915	1,383,103	177,714	13,908,304
Software	<u>2,146,613</u>	<u>14,270</u>	<u>-</u>	<u>2,160,883</u>
Total accumulated depreciation	<u>283,875,086</u>	<u>31,806,542</u>	<u>428,543</u>	<u>315,253,085</u>
Net capital assets being depreciated	<u>279,397,853</u>	<u>117,573,893</u>	<u>137,080</u>	<u>396,834,666</u>
Net governmental activities capital assets	<u>\$ 416,645,534</u>	<u>\$ 155,322,276</u>	<u>\$ 110,345,327</u>	<u>\$ 461,622,483</u>

# Rockford Public Schools District No. 205

Notes to Basic Financial Statements

June 30, 2025

Depreciation expense was recognized in the operating activities of the District as follows:

<b>Governmental Activities</b>	<b>Depreciation</b>
Regular programs	\$ 10,496,159
Special programs	3,816,785
Other instructional programs	3,498,720
Pupils	2,544,523
Instructional staff	954,196
General administration	954,196
School administration	1,590,327
Business	1,272,262
Transportation	636,131
Operations and maintenance	3,498,720
Central	1,908,393
Other supporting services	318,065
Community services	<u>318,065</u>
 Total depreciation expense, governmental activities	 <u>\$ 31,806,542</u>

## 5. Long Term Liabilities

### Changes in General Long-Term Liabilities

The following is the long-term liability activity for the District for the year ended June 30, 2025:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General obligation bonds	\$ 131,320,000	\$ 9,900,000	\$ -	\$ 141,220,000	\$ 1,365,000
Capital appreciation bonds	23,322,382	832,054	10,385,000	13,769,436	10,680,000
Unamortized premium	8,524,097	-	988,561	7,535,536	-
 Total bonds payable	 163,166,479	 10,732,054	 11,373,561	 162,524,972	 12,045,000
 Claims payable	 6,142,246	 68,026,253	 67,744,518	 6,423,981	 2,998,591
Early retirement payable	526,938	32,705	111,789	447,854	99,277
Compensated absences (net change)	1,903,197	-	649,325	1,253,872	1,253,872
Total OPEB liability, RPS	39,908,711	2,706,020	5,814,318	36,800,413	3,198,383
Net OPEB liability, THIS	47,690,102	7,269,713	-	54,959,815	-
Net pension liability, IMRF	3,475,882	45,716,799	49,192,681	-	-
Net pension liability, TRS	15,168,891	20,921,909	19,544,168	16,546,632	-
 Total long-term liabilities, governmental activities	 <u>\$ 277,982,446</u>	 <u>\$ 155,405,453</u>	 <u>\$ 154,430,360</u>	 <u>\$ 278,957,539</u>	 <u>\$ 19,595,123</u>

# Rockford Public Schools District No. 205

## Notes to Basic Financial Statements

June 30, 2025

The obligations for the net pension liability will be repaid from the General Fund and Municipal Retirement/Social Security Fund, respectively. The net/total OPEB liabilities will be and have been paid from the General Fund.

### General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. All outstanding general obligation bonds were issued to finance capital projects aimed at maintaining, improving and expanding District facilities. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Amount	Face Amount	Carrying Amount
Series 2013, Capital Appreciation Limited School Bonds dated April 2, 2013 are due in annual installments through February 1, 2027	3.03 to 4.29%	\$ 30,999,876	\$ 18,920,000	\$ 10,423,369
Series 2015A, Capital Appreciation Limited School Bonds dated March 5, 2015 are due in annual installments through February 1, 2027	5.25	6,204,788	3,915,000	2,337,607
Series 2015A, General Obligation Bonds dated March 5, 2015 are due in annual installments through February 1, 2035	3.50 to 4.00	13,795,000	13,795,000	13,795,000
Series 2015B, Capital Appreciation Limited School Bonds dated March 5, 2015 are due in annual installments through February 1, 2027	3.05 to 4.99	9,886,576	1,830,000	1,008,460
Series 2015B, General Obligation Serial Bonds dated March 5, 2015 are due in annual installments through February 1, 2027	3.25	935,000	935,000	935,000
Series 2015B, General Obligation Term Bonds dated March 5, 2015 are due in annual installments through February 1, 2035	3.75 to 4.00	28,175,000	28,175,000	28,175,000
Series 2016, Taxable Obligation School Bonds (Alternate Revenue Source - Qualified School Construction Bonds) dated May 12, 2016 are due in annual installments through December 1, 2027	3.80 to 3.95	29,085,000	29,085,000	29,085,000
Series 2022, General Obligation Refunding School Bonds dated February 1, 2023 are due in annual installments through February 1, 2033	4.00 to 5.00	59,330,000	59,330,000	59,330,000
Series 2025, General Obligation School Bonds dated February 19, 2025 are due in annual installments through February 1, 2029	3.72	9,900,000	9,900,000	9,900,000
Total		<u>\$188,311,240</u>	<u>\$165,885,000</u>	<u>\$154,989,436</u>

# Rockford Public Schools District No. 205

Notes to Basic Financial Statements

June 30, 2025

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,365,000	\$ 6,004,699	\$ 7,369,699
2027	24,830,000	5,687,335	30,517,335
2028	28,485,000	4,700,045	33,185,045
2029	11,080,000	3,791,107	14,871,107
2030	10,905,000	3,277,388	14,182,388
2031-2035	<u>64,555,000</u>	<u>8,353,038</u>	<u>72,908,038</u>
Total	<u>\$ 141,220,000</u>	<u>\$ 31,813,612</u>	<u>\$ 173,033,612</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 13.8% of the most recent available equalized assessed valuation of the District. As of June 30, 2025, the statutory debt limit for the District was \$478,779,600, providing a debt margin of \$344,926,552.

Annual debt service requirements to maturity for capital appreciation bonds are as follows for governmental type activities:

<u>Years</u>	<u>Principal</u>	<u>Accretion</u>	<u>Net Capital Appreciation Bonds</u>
2026	\$ 10,680,000	\$ 417,447	\$ 10,262,553
2027	3,600,000	93,117	3,506,883
Total	<u>\$ 14,280,000</u>	<u>\$ 510,564</u>	<u>\$ 13,769,436</u>

## Unspent Bond Proceeds

As of June 30, 2025, the District had unspent proceeds from the Series 2025 General Obligation Bonds totaling \$1,380,620. These remaining funds are restricted and will be used for their intended purpose in accordance with the bond issuance documents.

## 6. Risk Management

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. The District has purchased insurance from private insurance companies for general liability, workers' compensation and other coverages not included below. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

The District is self-insured for medical and dental coverage that is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees. The District's liability will not exceed \$375,000 per employee, as provided by stop-loss provisions incorporated in the plan.

# Rockford Public Schools District No. 205

## Notes to Basic Financial Statements

June 30, 2025

At June 30, 2025, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$6,423,981. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability. For the two years ended June 30, 2024 and June 30, 2025, changes in the liability reported in the General Fund for unpaid claims are summarized as follows:

	<b>Claims Payable Beginning of Year</b>	<b>Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Claims Payable End of Year</b>
Fiscal Year 2024	\$ 6,329,769	\$ 58,398,611	\$ 58,586,134	\$ 6,142,246
Fiscal Year 2025	\$ 6,142,246	\$ 68,026,253	\$ 67,744,518	\$ 6,423,981

The District is also self-insured for unemployment compensation on the first \$625,000 of each occurrence. A third party administrator administers the plan for a fixed fee. Payments are made to the third party administrator based on actual claims filed and approved. No liability has been accrued for unemployment claims since the District has estimated that the liability at June 30, 2025, if any, would be insignificant.

## 7. Other Postemployment Benefits

For the year ended June 30, 2025, the District recognized the following balances in the government-wide financial statements:

	<b>Total OPEB Liability</b>	<b>Net OPEB Liability</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>OPEB Expense/ (Income)</b>
THIS District OPEB Plan	\$ - 36,800,413	\$ 54,959,815 -	\$ 19,382,618 10,948,048	\$ 106,494,611 10,314,947	\$ (18,406,716) (397,587)
Total	<u>\$ 36,800,413</u>	<u>\$ 54,959,815</u>	<u>\$ 30,330,666</u>	<u>\$ 116,809,558</u>	<u>\$ (18,804,303)</u>

## Teachers' Health Insurance Security

### Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services."

# **Rockford Public Schools District No. 205**

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Notes to Basic Financial Statements  
June 30, 2025

## **Benefits Provided**

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

## **On Behalf Contributions to THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.90% of pay during the year ended June 30, 2025. State of Illinois contributions of \$1,818,017 were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of \$(24,749,672) in Governmental Activities equal to the proportion of the State of Illinois's OPEB expense associated with the employer.

## **Contributions**

The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.67% during the year ended June 30, 2025. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2025, the District paid \$1,353,413 to the THIS Fund, respectively, which was 100% of the required contribution for the year.

## **THIS Fiduciary Net Position**

Detailed information about the THIS Fund's fiduciary net position as of June 30, 2024 is available in the separately issued THIS Annual Financial Report.

## **Net OPEB Liability**

At June 30, 2025, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for the state's retiree insurance support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collection net OPEB liability	\$ 54,959,815
State's proportionate share of the collective net OPEB liability associated with the District	<u>74,637,911</u>
<b>Total</b>	<b><u>\$ 129,597,726</u></b>

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2024, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2024 and 2023, the District's proportion was 0.692837% and 0.669366%, respectively.

# Rockford Public Schools District No. 205

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Notes to Basic Financial Statements  
June 30, 2025

## Actuarial Assumptions

The net OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	3.50% to 8.50%
Investment Rate of Return	2.75%
Healthcare Cost Trend Rates - Initial	8.00%
Healthcare Cost Trend Rates - Ultimate	4.25%
Fiscal Year the Ultimate Rate is Reached	2041

Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the PubNS- 2010 Non-Safety Disabled Retiree Table. Mortality rates for pre-retirement were based on the PubT- 2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

## Discount Rate

At June 30, 2024, the discount rate used to measure the total OPEB liability was a blended rate of 3.97%, which was a change from the June 30, 2023 rate of 3.86%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

## Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.97%) or 1-percentage-point higher (4.97%) than the current discount rate:

	Current		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 61,164,765	\$ 54,959,815	\$ 49,202,655

# Rockford Public Schools District No. 205

## Notes to Basic Financial Statements

June 30, 2025

### Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.00% decreasing to an ultimate rate of 3.25%) or 1-percentage-point higher (initial rate of 9.00% decreasing to an ultimate rate of 5.25%) than the current healthcare cost trend rate:

	Healthcare Cost Trend Rate		1% Increase
	1% Decrease	Rate	
Net OPEB Liability	\$ 47,188,910	\$ 54,959,815	\$ 63,872,474

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$(18,406,716) and on-behalf revenue and expenses of \$(24,749,672) for support provided by the state. At June 30, 2025, the District's deferred outflows of resources and deferred inflows of resources related to OPEBs were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,516,577	\$ 23,164,358
Changes in assumptions	1,661,037	78,972,454
Net difference between projected and actual earnings on OPEB plan investments	-	29,837
Changes in proportion and differences between District contributions and proportionate share of contributions	14,851,591	4,327,962
District contributions subsequent to the measurement date	1,353,413	-
<b>Total</b>	<b>\$ 19,382,618</b>	<b>\$ 106,494,611</b>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2026. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB was \$(88,465,406). Amounts will be recognized in OPEB expense as follows in these reporting years:

<b>Years Ending June 30,</b>	<b>Amount</b>
2026	\$ (10,979,614)
2027	(10,979,614)
2028	(10,979,614)
2029	(10,979,615)
2030	(10,972,155)
Thereafter	(33,574,794)
<b>Total</b>	<b>\$ (88,465,406)</b>

# Rockford Public Schools District No. 205

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Notes to Basic Financial Statements  
June 30, 2025

## District OPEB Plan

### Plan Description

The District administers a single-employer defined benefit healthcare plan (the District OPEB Plan). The plan provides coverage for eligible retirees and their spouses through the District's OPEB Plan which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses receive coverage at established contribution rates. The Plan is managed on a "pay as you go" basis, is not administered through a trust or equivalent arrangement, and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The District OPEB Plan does not issue a publicly available financial report.

### Contributions and Benefits Provided

Contribution requirements are established through collective bargaining agreements and state that eligible retirees and their spouses can participate at established contribution rates. The District subsidizes a portion of the retiree contribution for eligible retirees until reaching age 65.

### Employees Covered by Benefit Term

At July 1, 2024, the actuarial valuation date, the following employees were covered by the benefit terms:

Retired plan members	360
Active employees not yet eligible	595
Active employees fully eligible	<hr/> 2,909
Total	<hr/> 3,864

### Total OPEB Liability

The District's total OPEB liability of \$36,800,413 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

Inflation	2.50%
Election at Retirement	3.93%
Discount Rate	5.20%
Healthcare Cost Trend Rate - Initial	6.80%-7.50%
Healthcare Cost Trend Rate - Ultimate	5.00%
Fiscal Year the Ultimate Rate is Reached	2034

The discount rate was based on 20-year municipal bond yield at June 30, 2025.

Mortality rates were based on utilizes the Pub-2010 mortality tables, which represents a current acceptable set of mortality assumptions.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of the estimates of future events.

# Rockford Public Schools District No. 205

Notes to Basic Financial Statements

June 30, 2025

## Changes in Total OPEB Liability

The District's changes in total OPEB liability for the year ended June 30, 2025 was as follows:

	<u>Total OPEB Liability</u>
Balance at June 30, 2024	\$ 39,908,711
Changes for the year:	
Service cost	1,195,822
Interest	1,510,198
Changes in assumptions and other inputs	(2,851,752)
Benefit payments	<u>(2,962,566)</u>
Net changes	<u>(3,108,298)</u>
Balance at June 30, 2025	<u>\$ 36,800,413</u>

## Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	<u>Current</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 39,635,870	\$ 36,800,413	\$ 34,324,139

## Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (varies) or 1-percentage-point higher (varies) than the current healthcare cost trend rates:

	<u>Healthcare Cost Trend</u>		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 33,361,233	\$ 36,800,413	\$ 40,811,574

# Rockford Public Schools District No. 205

Notes to Basic Financial Statements

June 30, 2025

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$(397,587). The District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,668,668	\$ 3,485,485
Assumption changes	2,279,380	6,829,462
<b>Total</b>	<b>\$ 10,948,048</b>	<b>\$ 10,314,947</b>

The amounts reported as deferred outflows and inflows of resources related to OPEB (\$633,101) will be recognized in OPEB expense as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2026	\$ (2,915,556)
2027	(575,151)
2028	23,117
2029	430,950
2030	430,950
Thereafter	3,238,791
<b>Total</b>	<b>\$ 633,101</b>

## 8. Early Retirement Incentives

The District offered two early retirement incentive plans. The first plan began in June 1989 and the District offered an early retirement plan to all employees covered by the collective bargaining agreement with the Rockford Education Association. The plan offered a \$3,000 early retirement bonus and a lifetime retirement supplement, with no right of survivorship, of \$150 per month. The District also offered postretirement health care benefits to those who elected the above described early retirement plan.

In July 1991, the second retirement plan was offered by the District to all employees covered by the collective bargaining agreement with the Rockford Education Association. The plan offered a lifetime benefit, payable monthly, in the amount of \$60 times creditable years of service divided by 12 with the maximum of 30 years of service.

# Rockford Public Schools District No. 205

## Notes to Basic Financial Statements

June 30, 2025

### Actuarial Methods and 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 short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2025 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions used a discount rate of 5.20%. The underlying index used is the Bond Buyer 20-Bond G.O. Index. The rate has been updated to the current Fiscal Year-End based on changes in market conditions as reflected in the index. The rate selected is as of June 26, 2025, and is the most recent rate available prior to the Measurement Date. The mortality rates used are from the PubT-2010 Mortality Tables improved generationally using Scale MP-2021, weighted per TRS Experience Study Report dated January 27, 2025. The benefits apply to a closed group of retired participants.

### 9. Retirement Systems

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

For the year ended June 30, 2025, the District recognized the following balances in the government-wide financial statements:

	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense/ (Income)</u>
TRS	\$ -	\$ 16,546,632	\$ 4,111,474	\$ 1,047,846	\$ 4,939,529
IMRF	<u>(27,459)</u>	<u>-</u>	<u>10,220,883</u>	<u>95,917</u>	<u>8,290,131</u>
Total	<u>\$ (27,459)</u>	<u>\$ 16,546,632</u>	<u>\$ 14,332,357</u>	<u>\$ 1,143,763</u>	<u>\$ 13,229,660</u>

#### Teachers' Retirement System

##### Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2024>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

# Rockford Public Schools District No. 205

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Notes to Basic Financial Statements  
June 30, 2025

## Benefits Provided

TRS provides retirement, disability and death benefits. *Tier 1* members have TRS or reciprocal system service prior to January 1, 2011. *Tier 1* members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service.

*Tier 2* members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for *Tier 2* are identical to those of *Tier 1*. Death benefits are payable under a formula that is different from *Tier 1*.

Essentially all *Tier 1* retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. *Tier 2* annual increases will be the lesser of 3% of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional *Tier 3* hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring *Tier 1* members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested *Tier 1* and *2* members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

## Contributions

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2024 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

## On Behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2025, State of Illinois contributions recognized by the District were based on the state's proportionate share of with the pension expense associated with the District, and the District recognized revenue and expenses of \$110,441,852 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$94,606,145 in the General Fund based on the current financial resources measurement basis.

# **Rockford Public Schools District No. 205**

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Notes to Basic Financial Statements  
June 30, 2025

## **2.2 Formula Contributions**

Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2025, were \$1,171,697, and are deferred because they were paid after the June 30, 2024 measurement date.

## **Federal and Special Trust Fund Contributions**

When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total District normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much more higher.

For the year ended June 30, 2025, the District pension contribution was 10.34% of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2025, were \$1,312,420, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2024 measurement date.

## **TRS Fiduciary Net Position**

Detailed information about the TRS's fiduciary net position as of June 30, 2024 is available in the separately issued TRS Annual Comprehensive Financial Report.

## **Net Pension Liability**

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 16,546,632
State's proportionate share of the collective net pension liability associated with the District	<u>1,379,634,181</u>
Total	<u><u>\$1,396,180,813</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2024, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2024 and 2023, the District's proportion was 0.01927036% and 0.01784983%, respectively.

## **Summary of Significant Accounting Policies**

For purposes of measuring the collective 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 TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# Rockford Public Schools District No. 205

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Notes to Basic Financial Statements  
June 30, 2025

## Actuarial Assumptions

The assumptions used to measure the total pension liability in the June 30, 2024 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit and (c) inflation of 2.5%. These actuarial assumptions were based on an experience study dated August 16, 2024.

## Mortality

In the June 30, 2024 actuarial valuation, mortality rates were based on the PubT -2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table 2024 Adjusted Scale MP-2021.

## Long-Term Expected Real Rate of Return

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	37.00 %	7.55 %
Private equity	15.00	10.28
Public income	18.00	5.81
Private credit	8.00	9.20
Real assets	18.00	7.01
Diversifying strategies	4.00	5.18

## Discount Rate

At June 30, 2024, the discount rate used to measure the total pension liability was a blended rate of 7.00%, which was the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2024 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. *Tier 1*'s liability is partially funded by *Tier 2* members, as the *Tier 2* member contribution is higher than the cost of *Tier 2* benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

# Rockford Public Schools District No. 205

## Notes to Basic Financial Statements

June 30, 2025

### Discount Rate Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the collective net pension liability	\$ 20,435,558	\$ 16,546,632	\$ 13,322,886

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

For the year ended June 30, 2025, the District recognized pension expense of \$4,939,529 and on-behalf revenue of \$110,441,852 for support provided by the state. At June 30, 2025, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 62,222	\$ 42,951
Net difference between projected and actual earnings on pension plan investments	-	142,061
Assumption changes	227,989	8,778
Changes in proportion and differences between District contributions and proportionate share of contributions	1,337,146	854,056
District contributions subsequent to the measurement date	2,484,117	-
<b>Total</b>	<b>\$ 4,111,474</b>	<b>\$ 1,047,846</b>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2026. The remaining amounts reported as deferred outflows and inflows of resources related to pensions was \$579,511. Amounts will be recognized in pension expense as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2026	\$ (262,401)
2027	206,174
2028	227,946
2029	290,466
2030	117,326
<b>Total</b>	<b>\$ 579,511</b>

# Rockford Public Schools District No. 205

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Notes to Basic Financial Statements  
June 30, 2025

## Illinois Municipal Retirement Fund

### Plan Description

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer pension plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual 2% for each year of service credit after 15 years to a maximum of 75% of their *Regular Tier 2*, final rate retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular Tier 2*, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

### Plan Membership

At December 31, 2024, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	1,554
Inactive, nonretired members	1,813
Active members	<u>1,598</u>
Total	<u>4,965</u>

# **Rockford Public Schools District No. 205**

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Notes to Basic Financial Statements  
June 30, 2025

## **Contributions**

As set by statute, District employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2024 was 4.99% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

## **Net Pension Liability/(Asset)**

The net pension liability/(asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

## **Summary of Significant Accounting Policies**

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## **Actuarial Assumptions**

The assumptions used to measure the total pension liability in the December 31, 2024 annual actuarial valuation included (a) 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75%, and (c) price inflation of 2.25%. The actuarial cost method was entry age normal and asset valuation method was market value. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.

## **Mortality**

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

# Rockford Public Schools District No. 205

## Notes to Basic Financial Statements

June 30, 2025

### Long-Term Expected Real Rate of Return

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 to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	33.50 %	5.70 %	4.35 %
International equities	18.00	7.10	5.40
Fixed income	24.50	5.30	5.20
Real estate	10.50	7.30	6.40
Alternatives	12.50		
Private equity		10.00	6.25
Commodities		6.05	4.85
Cash equivalents	1.00	3.60	3.60

### Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.25%, the same rate as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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 benefits payments to determine the total pension liability.

### Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
Net pension liability/(asset)	\$ 29,361,113	\$ (27,459)	\$ (23,900,473)

# Rockford Public Schools District No. 205

## Notes to Basic Financial Statements

June 30, 2025

### Changes in Net Pension Liability/(Asset)

The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2024 was as follows:

	Increase (Decrease)		Net Pension
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Liability/ (Asset) (a) - (b)
Balances at December 31, 2023	\$ 272,261,525	\$ 268,785,643	\$ 3,475,882
Service cost	5,038,132	-	5,038,132
Interest on total pension liability	19,313,359	-	19,313,359
Differences between expected and actual experience of the total pension liability	1,111,998	-	1,111,998
Benefit payments, including refunds of employee contributions	(16,778,869)	(16,778,869)	-
Contributions, employer	-	2,887,136	(2,887,136)
Contributions, employee	-	2,596,939	(2,596,939)
Net investment income	-	26,957,196	(26,957,196)
Other (net transfer)	-	(3,474,441)	3,474,441
 Balances at December 31, 2024	 \$ 280,946,145	 \$ 280,973,604	 \$ (27,459)

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

For the year ended June 30, 2025, the District recognized pension expense of \$8,290,131. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,526,813	\$ -
Assumption changes	-	95,917
Net difference between projected and actual earnings on pension plan investments	6,734,957	-
Contributions subsequent to the measurement date	1,959,113	-
 Total	 \$ 10,220,883	 \$ 95,917

# **Rockford Public Schools District No. 205**

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Notes to Basic Financial Statements  
June 30, 2025

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2026. The remaining amounts reported as deferred outflows and inflows of resources related to pensions was \$8,165,853. Amounts will be recognized in pension expense as follows:

<b>Years Ending</b> <b><u>June 30,</u></b>	<b>Amount</b>
2026	\$ 4,439,532
2027	8,941,008
2028	(3,613,561)
2029	<u>(1,601,126)</u>
 Total	 <u>\$ 8,165,853</u>

## **10. Construction Commitments**

As of June 30, 2025, the District is committed to approximately \$32,740,008 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and grant funding.

## **11. Contingent Liabilities**

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

## **12. State and Federal Aid Contingencies**

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grants. Management believes such disallowance, if any, would be immaterial.

## **13. Related Parties**

During fiscal year 2024, the District entered into contracts with Stenstrom Companies, Ltd. for excavation and general contractor services. The Superintendent of the District is related to a member of Stenstrom's management. The District paid Stenstrom \$31,503,760 for services during fiscal year ended June 30, 2025.

Included in accounts and retainage payable are amounts owed to Stenstrom Companies, Ltd for excavating and general contractor expenses totaling \$7,092,249 as of June 30, 2025.

# Rockford Public Schools District No. 205

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Notes to Basic Financial Statements  
June 30, 2025

## 14. Accounting Changes

### Changes to or Within the Financial Reporting Entity (See Adjustments Below)

During the fiscal year ended June 30, 2025, the District reclassified the Operations & Maintenance Fund from a nonmajor fund to a major fund. This decision was based on the District's assessment that the operations of the Operations & Maintenance Fund are sufficiently significant to the District's overall financial activities to justify major fund presentation. The reclassification aims to provide a more accurate and relevant representation of the District's financial position.

### Adjustments to Beginning Balances

During fiscal year 2025, changes to or within the financial reporting entity resulted in adjustments to beginning fund balance as follows:

	June 30, 2024 As Previously Reported	Change to or Within the Financial Reporting Entity	June 30, 2024 As Adjusted
Governmental funds:			
Major funds:			
Operations and Maintenance Fund	\$ -	\$ 10,161,034	\$ 10,161,034
Nonmajor funds	<u>\$ 41,100,645</u>	<u>(10,161,034)</u>	<u>30,939,611</u>
Total governmental funds	<u>\$ 41,100,645</u>	<u>\$ -</u>	<u>\$ 41,100,645</u>

## 15. Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*.

When they become effective, application of these standards may restate portions of these financial statements.

## Rockford Public Schools District No. 205

Schedule of Changes in the District's Net Pension Liability and Related Ratios -

Illinois Municipal Retirement Fund

Ten Most Recent Fiscal Years

	2025	2024	2023
<b>Total Pension Liability</b>			
Service cost	\$ 5,038,132	\$ 4,848,162	\$ 4,425,782
Interest	19,313,359	18,636,986	17,916,238
Differences between expected and actual experience	1,111,998	2,793,593	3,830,571
Changes of assumptions	-	(312,825)	-
Benefit payments, including refunds of member contributions	<u>(16,778,869)</u>	<u>(16,684,380)</u>	<u>(16,200,463)</u>
Net change in total pension liability	8,684,620	9,281,536	9,972,128
<b>Total Pension Liability, Beginning</b>	<u>272,261,525</u>	<u>262,979,989</u>	<u>253,007,861</u>
<b>Total Pension Liability, Ending (a)</b>	<u>\$ 280,946,145</u>	<u>\$ 272,261,525</u>	<u>\$ 262,979,989</u>
<b>Plan Fiduciary Net Position</b>			
Employer contributions	\$ 2,887,136	\$ 2,251,042	\$ 3,031,064
Employee contributions	2,596,939	2,503,544	2,270,574
Net investment income	26,957,196	27,770,656	(40,299,791)
Benefit payments, including refunds of member contributions	<u>(16,778,869)</u>	<u>(16,684,380)</u>	<u>(16,200,463)</u>
Other (net transfer)	<u>(3,474,441)</u>	<u>5,450,122</u>	<u>(1,939,402)</u>
Net change in plan fiduciary net position	12,187,961	21,290,984	(53,138,018)
<b>Plan Fiduciary Net Position, Beginning</b>	<u>268,785,643</u>	<u>247,494,659</u>	<u>300,632,677</u>
<b>Plan Fiduciary Net Position, Ending (b)</b>	<u>\$ 280,973,604</u>	<u>\$ 268,785,643</u>	<u>\$ 247,494,659</u>
<b>Employer's Net Pension Liability (Asset), Ending (a) - (b)</b>	<u>\$ (27,459)</u>	<u>\$ 3,475,882</u>	<u>\$ 15,485,330</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	100.01%	98.72%	94.11%
<b>Covered Payroll</b>	\$ 57,858,452	\$ 54,270,870	\$ 49,992,573
<b>Employer's Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	-0.05%	6.40%	30.98%

### Notes to Schedule:

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

2022	2021	2020	2019	2018	2017	2016
\$ 4,054,636	\$ 4,194,692	\$ 4,138,344	\$ 3,795,571	\$ 4,133,103	\$ 4,112,437	\$ 4,368,572
17,344,306	16,976,079	16,493,462	16,047,531	16,118,993	15,761,381	15,128,232
2,323,860	1,151,729	488,107	1,613,651	(1,070,132)	(2,417,979)	1,373,353
-	(1,872,005)	-	5,813,877	(6,626,310)	(238,612)	236,362
<u>(15,838,861)</u>	<u>(14,764,088)</u>	<u>(14,218,505)</u>	<u>(13,607,639)</u>	<u>(13,071,801)</u>	<u>(12,408,136)</u>	<u>(11,717,657)</u>
7,883,941	5,686,407	6,901,408	13,662,991	(516,147)	4,809,091	9,388,862
<u>245,123,920</u>	<u>239,437,513</u>	<u>232,536,105</u>	<u>218,873,114</u>	<u>219,389,261</u>	<u>214,580,170</u>	<u>205,191,308</u>
<u>\$ 253,007,861</u>	<u>\$ 245,123,920</u>	<u>\$ 239,437,513</u>	<u>\$ 232,536,105</u>	<u>\$ 218,873,114</u>	<u>\$ 219,389,261</u>	<u>\$ 214,580,170</u>
\$ 3,600,654	\$ 3,690,602	\$ 2,939,597	\$ 3,567,343	\$ 3,752,208	\$ 3,728,265	\$ 3,133,412
2,073,979	1,915,507	1,903,817	1,795,197	1,768,218	1,744,700	1,757,018
46,290,297	35,435,439	40,970,573	(13,947,725)	37,145,368	13,532,519	1,001,565
(15,838,861)	(14,764,088)	(14,218,505)	(13,607,639)	(13,071,801)	(12,408,136)	(11,717,657)
<u>(2,904,495)</u>	<u>(671,042)</u>	<u>(28,165)</u>	<u>3,409,589</u>	<u>(5,527,170)</u>	<u>44,872</u>	<u>104,018</u>
33,221,574	25,606,418	31,567,317	(18,783,235)	24,066,823	6,642,220	(5,721,644)
<u>267,411,103</u>	<u>241,804,685</u>	<u>210,237,368</u>	<u>229,020,603</u>	<u>204,953,780</u>	<u>198,311,560</u>	<u>204,033,204</u>
<u>\$ 300,632,677</u>	<u>\$ 267,411,103</u>	<u>\$ 241,804,685</u>	<u>\$ 210,237,368</u>	<u>\$ 229,020,603</u>	<u>\$ 204,953,780</u>	<u>\$ 198,311,560</u>
<u>\$ (47,624,816)</u>	<u>\$ (22,287,183)</u>	<u>\$ (2,367,172)</u>	<u>\$ 22,298,737</u>	<u>\$ (10,147,489)</u>	<u>\$ 14,435,481</u>	<u>\$ 16,268,610</u>
118.82%	109.09%	100.99%	90.41%	104.64%	93.42%	92.42%
\$ 44,648,990	\$ 42,003,307	\$ 40,515,773	\$ 39,418,497	\$ 38,136,399	\$ 37,926,298	\$ 38,167,852
-106.66%	-53.06%	-5.84%	56.57%	-26.61%	38.06%	42.62%

See notes to required supplementary information

## Rockford Public Schools District No. 205

Schedule of District Contributions -  
Illinois Municipal Retirement Fund  
Ten Most Recent Fiscal Years

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 2,887,137	\$ 2,181,689	\$ 2,904,568	\$ 3,522,805	\$ 3,608,084
Contributions in relation to the actuarially determined contribution	<u>(2,887,136)</u>	<u>(2,251,042)</u>	<u>(3,031,064)</u>	<u>(3,600,654)</u>	<u>(3,690,602)</u>
Contribution deficiency (excess)	\$ 1	\$ (69,353)	\$ (126,496)	\$ (77,849)	\$ (82,518)
Covered payroll	\$ 57,958,017	\$ 55,891,947	\$ 51,744,779	\$ 48,231,779	\$ 42,658,850
Contributions as a percentage of covered payroll	4.98%	4.03%	5.86%	7.47%	8.65%
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 2,605,164	\$ 3,563,432	\$ 3,550,546	\$ 3,522,534	\$ 3,774,142
Contributions in relation to the actuarially determined contribution	<u>(2,939,597)</u>	<u>(3,567,343)</u>	<u>(3,550,546)</u>	<u>(3,522,534)</u>	<u>(3,774,142)</u>
Contribution deficiency (excess)	\$ (334,433)	\$ (3,911)	\$ -	\$ -	\$ -
Covered payroll	\$ 42,229,440	\$ 39,967,135	\$ 38,777,448	\$ 38,031,349	\$ 38,047,075
Contributions as a percentage of covered payroll	6.96%	8.93%	9.16%	9.26%	9.92%

### Notes to Schedule:

#### Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.75% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2020

#### Other information:

There were no benefit changes during the year.

## Rockford Public Schools District No. 205

Schedule of the District's Proportionate Share  
of the Net Pension Liability and District Contributions  
Teachers' Retirement System  
Ten Most Recent Fiscal Years

	<b>2025</b>	<b>2024</b>	<b>2023</b>
District's proportion of the net pension liability	0.0192703610%	0.0178498332%	0.0171920837%
District's proportionate share of the net pension liability	\$ 16,546,632	\$ 15,168,891	\$ 14,413,900
State's proportionate share of the net pension liability	<u>1,379,634,181</u>	<u>1,309,083,089</u>	<u>1,250,310,384</u>
Total net pension liability	<u>\$ 1,396,180,813</u>	<u>\$ 1,324,251,980</u>	<u>\$ 1,264,724,284</u>
Covered payroll	\$ 206,413,747	\$ 187,169,891	\$ 175,904,464
District's proportionate share of the net pension liability as a percentage of covered payroll	8.02%	8.10%	8.19%
Plan fiduciary net position as a percentage of the total pension liability	45.40%	43.90%	42.80%
Contractually required contribution	\$ 2,484,031	\$ 4,027,276	\$ 2,434,304
Contributions in relation to the contractually required contribution	<u>(2,484,117)</u>	<u>(3,990,410)</u>	<u>(2,451,078)</u>
Contribution deficiency (excess)	<u>\$ (86)</u>	<u>\$ 36,866</u>	<u>\$ (16,774)</u>
Covered payroll	\$ 202,001,923	\$ 206,413,747	\$ 187,169,891
Contributions as a percentage of covered payroll	1.20%	2.13%	1.31%

### Notes to Schedule:

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

### Key Assumptions:

Long-term expected rate of return	7.00%	7.00%	7.00%
Municipal bond index	3.93%	3.65%	3.54%
Single equivalent discount rate	7.00%	7.00%	7.00%
Inflation rate	2.50%	2.50%	2.50%
Projected salary increases	4.00% to 8.50% varying by service	3.75% to 8.75% varying by service	3.75% to 8.75% varying by service

2022	2021	2020	2019	2018	2017	2016
0.0187961469%	0.0197291744%	0.0203020935%	0.0208262385%	0.0758487778%	0.0866560420%	0.0684402657%
\$ 14,663,117	\$ 17,009,558	\$ 16,466,656	\$ 16,232,978	\$ 57,947,057	\$ 68,402,854	\$ 44,835,269
<u>1,228,925,073</u>	<u>1,332,276,952</u>	<u>1,717,913,905</u>	<u>1,112,027,009</u>	<u>1,178,403,492</u>	<u>1,203,832,477</u>	<u>932,876,821</u>
<u>\$ 1,243,588,190</u>	<u>\$ 1,349,286,510</u>	<u>\$ 1,734,380,561</u>	<u>\$ 1,128,259,987</u>	<u>\$ 1,236,350,549</u>	<u>\$ 1,272,235,331</u>	<u>\$ 977,712,090</u>
\$ 168,588,820	\$ 165,016,524	\$ 160,144,208	\$ 155,447,614	\$ 153,621,756	\$ 150,685,486	\$ -
8.70%	10.31%	10.28%	10.44%	37.72%	45.39%	#DIV/0!
45.10%	37.80%	39.60%	40.00%	39.30%	36.40%	41.50%
\$ 2,023,101	\$ 1,718,122	\$ 1,638,021	\$ 1,531,301	\$ 1,380,894	\$ 3,290,680	\$ 3,066,048
<u>(1,973,818)</u>	<u>(1,718,472)</u>	<u>(1,640,412)</u>	<u>(1,524,490)</u>	<u>(1,380,894)</u>	<u>(3,290,680)</u>	<u>(3,066,048)</u>
<u>\$ 49,283</u>	<u>\$ (350)</u>	<u>\$ (2,391)</u>	<u>\$ 6,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 175,904,464	168,588,820	165,016,524	\$ 160,144,208	\$ 155,447,614	\$ 153,621,756	\$ 150,685,486
1.12%	1.02%	0.99%	0.95%	0.89%	2.14%	2.03%
7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.50%
2.16%	2.21%	3.50%	3.87%	3.58%	2.85%	3.73%
7.00%	7.00%	7.00%	7.00%	7.00%	6.83%	7.47%
2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	3.00%
3.50% to 8.50% varying by service	4.00% to 9.50% varying by service	4.00% to 9.50% varying by service	4.00% to 9.50% varying by service	3.25% to 9.25% varying by service	3.25% to 9.25% varying by service	3.75% to 9.75% varying by service

## Rockford Public Schools District No. 205

Scjedule of Changes in the District's Total OPEB Liability and Related Ratios -  
 District OPEB Plan  
 Eight Most Recent Fiscal Years

	2025	2024	2023	2022
<b>Total OPEB Liability</b>				
Service cost	\$ 1,195,822	\$ 1,698,541	\$ 1,545,571	\$ 1,319,932
Interest	1,510,198	1,140,956	1,179,855	819,674
Differences between expected and actual experience	-	9,890,468	-	(2,343,443)
Changes of assumptions	(2,851,752)	(2,755,175)	2,317,266	(4,677,944)
Benefit payments, including refunds of member contributions	<u>(2,962,566)</u>	<u>(2,650,286)</u>	<u>(2,611,610)</u>	<u>(2,476,467)</u>
Net change in total OPEB liability	(3,108,298)	7,324,504	2,431,082	(7,358,248)
<b>Total OPEB Liability, Beginning</b>	<u>39,908,711</u>	<u>32,584,207</u>	<u>30,153,125</u>	<u>37,511,373</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 36,800,413</u>	<u>\$ 39,908,711</u>	<u>\$ 32,584,207</u>	<u>\$ 30,153,125</u>
<b>Covered-Employee Payroll</b>	\$ 237,011,589	\$ 209,407,825	\$ 218,317,999	\$ 165,214,170
<b>District's Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	15.53%	19.06%	14.93%	18.25%
	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 1,272,339	\$ 1,767,673	\$ 1,751,783	\$ 1,757,424
Interest	970,628	1,556,392	1,639,856	1,698,676
Differences between expected and actual experience	-	(20,233,332)	-	-
Changes of assumptions	1,378,298	1,205,033	846,731	671,321
Benefit payments, including refunds of member contributions	<u>(2,637,336)</u>	<u>(3,546,204)</u>	<u>(3,449,537)</u>	<u>(3,278,226)</u>
Net change in total OPEB liability	983,929	(19,250,438)	788,833	849,195
<b>Total OPEB Liability, Beginning</b>	<u>36,527,444</u>	<u>55,777,882</u>	<u>54,989,049</u>	<u>54,139,854</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 37,511,373</u>	<u>\$ 36,527,444</u>	<u>\$ 55,777,882</u>	<u>\$ 54,989,049</u>
<b>Covered-Employee Payroll</b>	\$ 154,589,747	\$ 161,425,597	\$ 198,486,369	\$ 218,785,619
<b>District's Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	24.27%	23.12%	28.10%	25.13%

### Notes to Schedule:

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

## Rockford Public Schools District No. 205

### Schedule of District's Proportionate Share

of the Net OPEB Liability and District Contributions -  
 Teachers' Health Insurance Security Fund  
 Eight Most Recent Fiscal Years

	2025	2024	2023
District's proportion of the net OPEB liability	0.692837%	0.669366%	0.637343%
District's proportionate share of the net OPEB liability	\$ 54,959,815	\$ 47,690,102	\$ 43,631,583
State's proportionate share of the net OPEB liability	<u>74,637,911</u>	<u>64,492,212</u>	<u>59,356,476</u>
Total net OPEB liability	<u>\$ 129,597,726</u>	<u>\$ 112,182,314</u>	<u>\$ 102,988,059</u>
Covered payroll	\$ 206,413,747	\$ 187,169,891	\$ 175,904,464
District's proportionate share of the net OPEB liability as a percentage of covered payroll	26.63%	25.48%	24.80%
Plan fiduciary net position as a percentage of the total pension liability	7.43%	6.21%	5.24%
Contractually required contribution	\$ 1,353,413	\$ 1,382,972	\$ 1,254,038
Contributions in relation to the contractually required contribution	<u>(1,353,413)</u>	<u>(1,382,972)</u>	<u>(1,254,038)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	-0.6557%	-0.7389%	0.6700%

### Notes to Schedule:

The District implemented GASB 68 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

### Key Assumptions:

Long-term expected rate of return	2.75%	2.75%	2.75%
Municipal bond index	3.97%	3.86%	3.69%
Single equivalent discount rate	3.97%	3.86%	3.69%
Inflation rate	2.25%	2.25%	2.25%
Healthcare cost trend rates - initial	Medicare and Non-Medicare -	Medicare and Non-Medicare -	Medicare and Non-Medicare -
	8.00%	8.00%	8.00%
Healthcare cost trend rates - ultimate	4.25%	4.25%	4.25%
Mortality	PubT-2010	PubT-2010	PubT-2010

2022	2021	2020	2019	2018
0.649504%	0.652320%	0.652467%	0.626556%	0.700738%
\$ 143,234,621	\$ 174,364,739	\$ 180,586,226	\$ 165,071,484	\$ 181,838,510
<u>194,205,241</u>	<u>236,216,736</u>	<u>244,536,790</u>	<u>221,655,405</u>	<u>238,799,064</u>
\$ 337,439,862	\$ 410,581,475	\$ 425,123,016	\$ 386,726,889	\$ 420,637,574
\$ 168,588,820	\$ 165,016,524	\$ 160,144,208	\$ 155,447,614	\$ 153,621,756
84.96%	105.67%	112.76%	106.19%	118.37%
1.40%	0.70%	0.25%	-0.07%	-0.17%
\$ 1,178,560	\$ 1,551,017	\$ 1,518,152	\$ 1,473,327	\$ 1,367,939
<u>(1,178,560)</u>	<u>(1,551,017)</u>	<u>(1,518,152)</u>	<u>(1,473,327)</u>	<u>(1,367,939)</u>
\$ -	\$ -	\$ -	\$ -	\$ -
0.6700%	0.9200%	0.9200%	0.9200%	0.8800%
2.75%	0.00%	0.00%	0.00%	0.00%
1.92%	2.45%	3.13%	3.62%	3.56%
1.92%	2.45%	3.13%	3.62%	3.56%
2.50%	2.50%	2.50%	2.75%	2.75%
Medicare and Non-Medicare -	Medicare and Non-Medicare -	Medicare - 9.00% Non-Medicare -	Medicare - 9.00% Non-Medicare -	Medicare - 9.00% Non-Medicare -
8.00%	8.25%	8.00%	8.00%	8.00%
4.25%	4.25%	4.50%	4.50%	4.50%
RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Local sources			
General levy	\$ 80,017,186	\$ 81,599,321	\$ 1,582,135
Special education levy	15,630,573	16,104,586	474,013
Corporate personal property replacement taxes	13,021,554	10,021,554	(3,000,000)
Regular tuition from pupils or parents (in state)	-	48,839	48,839
Summer school tuition from pupils or parents (in state)	20,000	-	(20,000)
CTE, tuition from other sources (in state)	15,000	-	(15,000)
Special education tuition from other LEA's (in state)	850,000	1,005,957	155,957
Investment income	8,724,500	11,910,993	3,186,493
Sales to pupils, a la carte	55,000	81,415	26,415
Other food service	17,500	60,970	43,470
Admissions, athletic	-	55,736	55,736
Admissions, other	5,000	-	(5,000)
Fees	50,000	21,989	(28,011)
Other pupil activity revenue	-	16,666	16,666
Student activities	2,000,000	1,694,076	(305,924)
Rentals	-	2,567	2,567
Contributions and donations from private sources	-	144,184	144,184
Refund of prior years' expenditures	-	272,702	272,702
Driver's education fees	55,000	47,175	(7,825)
Other local fees	-	200	200
Other	398,050	1,049,672	651,622
Total local sources	<u>120,859,363</u>	<u>124,138,602</u>	<u>3,279,239</u>
Flow-through revenue from one LEA to another LEA			
Flow-through revenue from state sources	<u>-</u>	<u>23,059</u>	<u>23,059</u>
Total flow-through revenue from one LEA to another LEA	<u>-</u>	<u>23,059</u>	<u>23,059</u>
State sources			
Evidence based funding	190,128,141	190,156,655	28,514
Special education, private facility tuition	4,000,000	3,372,476	(627,524)
Special education, orphanage, individual	1,200,000	1,156,203	(43,797)
Special education, orphanage, summer	15,000	20,751	5,751
State free lunch and breakfast	193,800	240,038	46,238
Driver education	125,000	107,504	(17,496)
Adult education from Illinois Community College Board	799,852	709,372	(90,480)
Truant alternative/optional education	209,551	92,656	(116,895)
Early childhood, block grant	12,656,364	13,016,464	360,100
Other restricted revenue from state sources	1,237,289	1,122,656	(114,633)
Total state sources	<u>210,564,997</u>	<u>209,994,775</u>	<u>(570,222)</u>

See notes to required supplementary information

## Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues (continued)</b>			
Federal sources			
Federal impact aid	\$ -	\$ 124,552	\$ 124,552
Other restricted grants-in-aid received directly from the federal government	70,000	71,460	1,460
Title V, other	222,510	222,898	388
National school lunch program	13,556,189	14,581,001	1,024,812
School breakfast program	4,603,480	5,041,017	437,537
Child care commodity/SFS 13-adult day care	2,000	2,317	317
Fresh fruits and vegetables	-	64,298	64,298
Food service, other	1,026,500	1,284,215	257,715
Title I, low income	21,366,855	19,778,958	(1,587,897)
Title I, other	2,379,410	2,658,243	278,833
Title IV, safe and drug free schools, formula	1,732,026	2,004,155	272,129
Title IV, 21st Century	584,583	466,536	(118,047)
Federal, special education, preschool flow-through	486,780	363,257	(123,523)
Federal, special education, IDEA, flow-through	10,974,531	9,253,275	(1,721,256)
Federal, special education, IDEA, room and board	80,000	67,373	(12,627)
Federal, adult education	328,547	279,974	(48,573)
Emergency immigrant assistance	138,606	75,114	(63,492)
Title III, english language acquisition	761,826	525,557	(236,269)
McKinney education for homeless children	56,000	81,743	25,743
Title II, teacher quality	1,483,676	1,493,628	9,952
Medicaid matching funds, administrative outreach	2,000,000	1,245,828	(754,172)
Medicaid matching funds, fee-for-service program	3,300,000	4,052,805	752,805
Other restricted revenue from federal sources	6,276,645	8,170,028	1,893,383
 Total federal sources	 71,430,164	 71,908,232	 478,068
 Total revenues	 402,854,524	 406,064,668	 3,210,144

## Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures</b>			
Instruction			
Regular programs			
Salaries	\$ 70,306,715	\$ 73,800,808	\$ 3,494,093
Employee benefits	26,263,736	22,860,507	(3,403,229)
Purchased services	6,827,067	5,445,896	(1,381,171)
Supplies and materials	7,315,941	8,250,756	934,815
Capital outlay	45,000	68,671	23,671
Other objects	23,120	14,354	(8,766)
Non-capitalized equipment	1,134,987	2,588,968	1,453,981
Total regular programs	<u>111,916,566</u>	<u>113,029,960</u>	<u>1,113,394</u>
Tuition payment to charter schools			
Purchased services	<u>11,695,639</u>	<u>11,534,154</u>	<u>(161,485)</u>
Total tuition payment to charter schools	<u>11,695,639</u>	<u>11,534,154</u>	<u>(161,485)</u>
Pre-K programs			
Salaries	5,921,558	6,052,720	131,162
Employee benefits	2,907,475	2,541,944	(365,531)
Purchased services	452,968	452,199	(769)
Supplies and materials	269,350	255,139	(14,211)
Non-capitalized equipment	66,031	29,469	(36,562)
Total pre-K programs	<u>9,617,382</u>	<u>9,331,471</u>	<u>(285,911)</u>
Special education programs			
Salaries	26,508,362	27,181,484	673,122
Employee benefits	10,608,911	9,310,213	(1,298,698)
Purchased services	1,033,309	6,081,042	5,047,733
Supplies and materials	92,580	248,470	155,890
Other objects	11,100,000	12,403,292	1,303,292
Non-capitalized equipment	36,000	35,596	(404)
Total special education programs	<u>49,379,162</u>	<u>55,260,097</u>	<u>5,880,935</u>
Special education programs Pre-K			
Salaries	3,337,268	3,028,118	(309,150)
Employee benefits	1,219,566	1,062,859	(156,707)
Purchased services	61,000	181,030	120,030
Supplies and materials	4,500	45,187	40,687
Non-capitalized equipment	-	9,715	9,715
Total special education programs Pre-K	<u>4,622,334</u>	<u>4,326,909</u>	<u>(295,425)</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Remedial and supplemental programs K-12			
Salaries	\$ 12,611,279	\$ 10,949,357	\$ (1,661,922)
Employee benefits	3,599,306	3,675,685	76,379
Purchased services	521,123	476,185	(44,938)
Supplies and materials	1,278,806	1,276,584	(2,222)
Capital outlay	-	113,188	113,188
Other objects	1,430,326	1,431,000	674
Non-capitalized equipment	115,950	62,389	(53,561)
Total remedial and supplemental programs K-12	<u>19,556,790</u>	<u>17,984,388</u>	<u>(1,572,402)</u>
Adult / continuing education programs			
Salaries	229,156	234,808	5,652
Employee benefits	67,586	72,454	4,868
Purchased services	2,500	90	(2,410)
Total adult / continuing education programs	<u>299,242</u>	<u>307,352</u>	<u>8,110</u>
CTE programs			
Salaries	5,495,305	5,456,787	(38,518)
Employee benefits	1,723,270	1,683,978	(39,292)
Purchased services	258,802	184,086	(74,716)
Supplies and materials	128,500	274,374	145,874
Capital outlay	515,000	-	(515,000)
Other objects	466,700	389,118	(77,582)
Non-capitalized equipment	-	11,848	11,848
Total CTE programs	<u>8,587,577</u>	<u>8,000,191</u>	<u>(587,386)</u>
Interscholastic programs			
Salaries	2,717,309	2,557,250	(160,059)
Employee benefits	275,808	169,985	(105,823)
Purchased services	758,995	687,455	(71,540)
Supplies and materials	1,257,200	868,642	(388,558)
Capital outlay	-	150,654	150,654
Other objects	249,800	147,952	(101,848)
Non-capitalized equipment	-	130,655	130,655
Total interscholastic programs	<u>5,259,112</u>	<u>4,712,593</u>	<u>(546,519)</u>
Summer school programs			
Salaries	1,525,835	1,034,690	(491,145)
Employee benefits	177,821	139,185	(38,636)
Purchased services	816,235	511,683	(304,552)
Supplies and materials	280,674	282,195	1,521
Capital outlay	-	12,023	12,023
Non-capitalized equipment	-	2,998	2,998
Total summer school programs	<u>2,800,565</u>	<u>1,982,774</u>	<u>(817,791)</u>

See notes to required supplementary information

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Gifted programs			
Salaries	\$ 4,977,596	\$ 4,984,670	\$ 7,074
Employee benefits	1,429,381	1,400,189	(29,192)
Purchased services	173,144	179,792	6,648
Supplies and materials	77,628	63,588	(14,040)
Capital outlay	50,000	7,286	(42,714)
Other objects	1,500	1,666	166
Non-capitalized equipment	-	3,459	3,459
Total gifted programs	<u>6,709,249</u>	<u>6,640,650</u>	<u>(68,599)</u>
Driver's education programs			
Salaries	451,904	573,790	121,886
Employee benefits	86,863	99,843	12,980
Purchased services	24,800	23,905	(895)
Supplies and materials	-	16,694	16,694
Total driver's education programs	<u>563,567</u>	<u>714,232</u>	<u>150,665</u>
Bilingual programs			
Salaries	14,542,214	15,187,979	645,765
Employee benefits	4,609,058	4,500,778	(108,280)
Purchased services	362,310	289,694	(72,616)
Supplies and materials	232,571	391,846	159,275
Total bilingual programs	<u>19,746,153</u>	<u>20,370,297</u>	<u>624,144</u>
Truant's alternative and optional programs			
Salaries	3,278,011	3,091,163	(186,848)
Employee benefits	880,489	870,240	(10,249)
Purchased services	119,760	69,460	(50,300)
Supplies and materials	69,500	41,599	(27,901)
Capital outlay	-	22,099	22,099
Other objects	649,175	588,720	(60,455)
Non-capitalized equipment	13,000	35,794	22,794
Total truant's alternative and optional programs	<u>5,009,935</u>	<u>4,719,075</u>	<u>(290,860)</u>
Student activities			
Other objects	<u>2,000,000</u>	<u>1,751,580</u>	<u>(248,420)</u>
Total student activities	<u>2,000,000</u>	<u>1,751,580</u>	<u>(248,420)</u>
Total instruction	<u>257,763,273</u>	<u>260,665,723</u>	<u>2,902,450</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget
			Over (Under)
<b>Expenditures (continued)</b>			
Support services			
Pupils			
Attendance and social work services			
Salaries	\$ 6,882,323	\$ 5,915,600	\$ (966,723)
Employee benefits	2,012,180	1,811,917	(200,263)
Purchased services	890,355	901,746	11,391
Supplies and materials	<u>20,800</u>	<u>46,226</u>	<u>25,426</u>
Total attendance and social work services	<u>9,805,658</u>	<u>8,675,489</u>	<u>(1,130,169)</u>
Guidance services			
Salaries	6,657,007	6,622,875	(34,132)
Employee benefits	1,878,378	1,712,840	(165,538)
Purchased services	935,268	1,220,531	285,263
Supplies and materials	131,431	335,755	204,324
Other objects	500	414	(86)
Non-capitalized equipment	<u>1,000</u>	<u>511</u>	<u>(489)</u>
Total guidance services	<u>9,603,584</u>	<u>9,892,926</u>	<u>289,342</u>
Health services			
Salaries	4,527,861	3,969,239	(558,622)
Employee benefits	1,315,672	1,152,758	(162,914)
Purchased services	24,500	41,880	17,380
Supplies and materials	54,900	223,928	169,028
Other objects	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total health services	<u>5,928,933</u>	<u>5,393,805</u>	<u>(535,128)</u>
Psychological services			
Salaries	3,329,227	2,944,169	(385,058)
Employee benefits	818,803	674,274	(144,529)
Purchased services	33,340	258,858	225,518
Supplies and materials	<u>30,000</u>	<u>22,141</u>	<u>(7,859)</u>
Total psychological services	<u>4,211,370</u>	<u>3,899,442</u>	<u>(311,928)</u>
Speech pathology and audiology services			
Salaries	3,909,588	3,780,993	(128,595)
Employee benefits	1,110,394	1,018,311	(92,083)
Purchased services	936,859	2,915,424	1,978,565
Supplies and materials	32,000	23,865	(8,135)
Other objects	-	278	278
Non-capitalized equipment	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Total speech pathology and audiology services	<u>5,990,841</u>	<u>7,738,871</u>	<u>1,748,030</u>

## Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Other support services - pupils			
Salaries	\$ 2,862,266	\$ 2,786,316	\$ (75,950)
Employee benefits	801,688	828,530	26,842
Purchased services	56,000	107,005	51,005
Supplies and materials	46,000	44,343	(1,657)
Total other support services - pupils	<u>3,765,954</u>	<u>3,766,194</u>	<u>240</u>
Total pupils	<u>39,306,340</u>	<u>39,366,727</u>	<u>60,387</u>
Instructional staff			
Improvement of instructional services			
Salaries	13,070,532	10,098,439	(2,972,093)
Employee benefits	3,274,435	2,531,419	(743,016)
Purchased services	4,137,667	4,407,425	269,758
Supplies and materials	384,382	416,227	31,845
Capital outlay	-	5,449	5,449
Other objects	38,540	254,287	215,747
Non-capitalized equipment	13,500	35,728	22,228
Total improvement of instructional services	<u>20,919,056</u>	<u>17,748,974</u>	<u>(3,170,082)</u>
Educational media services			
Salaries	2,661,543	2,659,946	(1,597)
Employee benefits	957,725	991,639	33,914
Purchased services	179,400	134,772	(44,628)
Supplies and materials	1,306,296	1,453,420	147,124
Non-capitalized equipment	-	54,181	54,181
Total educational media services	<u>5,104,964</u>	<u>5,293,958</u>	<u>188,994</u>
Assessment and testing			
Salaries	199,836	192,455	(7,381)
Employee benefits	16,742	17,326	584
Purchased services	785,139	812,783	27,644
Supplies and materials	206,066	9,684	(196,382)
Total assessment and testing	<u>1,207,783</u>	<u>1,032,248</u>	<u>(175,535)</u>
Total instructional staff	<u>27,231,803</u>	<u>24,075,180</u>	<u>(3,156,623)</u>

## Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget
			Over (Under)
<b>Expenditures (continued)</b>			
General administration			
Board of education services			
Salaries	\$ 781,188	\$ 781,189	\$ 1
Employee benefits	89,950	90,087	137
Purchased services	1,170,835	1,274,284	103,449
Supplies and materials	28,775	17,034	(11,741)
Other objects	31,000	27,717	(3,283)
Non-capitalized equipment	4,000	8,836	4,836
Total board of education services	<u>2,105,748</u>	<u>2,199,147</u>	<u>93,399</u>
Executive administration services			
Salaries	410,885	410,885	-
Employee benefits	69,960	70,038	78
Purchased services	44,005	166,671	122,666
Supplies and materials	5,820	4,345	(1,475)
Other objects	17,700	26,151	8,451
Non-capitalized equipment	2,000	2,113	113
Total executive administration services	<u>550,370</u>	<u>680,203</u>	<u>129,833</u>
Special area administration services			
Salaries	2,640,131	2,361,597	(278,534)
Employee benefits	765,972	641,796	(124,176)
Purchased services	80,756	59,856	(20,900)
Supplies and materials	43,544	49,059	5,515
Other objects	4,250	2,603	(1,647)
Non-capitalized equipment	600	13,743	13,143
Total special area administration services	<u>3,535,253</u>	<u>3,128,654</u>	<u>(406,599)</u>
Total general administration	<u>6,191,371</u>	<u>6,008,004</u>	<u>(183,367)</u>

## Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
School administration			
Office of the principal services			
Salaries	\$ 17,262,212	\$ 17,332,330	\$ 70,118
Employee benefits	4,251,529	4,186,736	(64,793)
Purchased services	308,956	290,067	(18,889)
Supplies and materials	374,358	398,827	24,469
Other objects	59,564	35,729	(23,835)
Non-capitalized equipment	78,741	77,330	(1,411)
Total office of the principal services	<u>22,335,360</u>	<u>22,321,019</u>	<u>(14,341)</u>
Total school administration	<u>22,335,360</u>	<u>22,321,019</u>	<u>(14,341)</u>
Business			
Direction of business support services			
Salaries	193,750	193,750	-
Employee benefits	12,850	12,940	90
Total direction of business support services	<u>206,600</u>	<u>206,690</u>	<u>90</u>
Fiscal services			
Salaries	1,575,560	1,452,124	(123,436)
Employee benefits	535,550	439,319	(96,231)
Purchased services	116,674	225,110	108,436
Supplies and materials	48,500	12,455	(36,045)
Other objects	115,300	144,298	28,998
Non-capitalized equipment	23,000	3,771	(19,229)
Total fiscal services	<u>2,414,584</u>	<u>2,277,077</u>	<u>(137,507)</u>
Operation and maintenance of plant services			
Salaries	209,554	207,383	(2,171)
Employee benefits	28,913	28,998	85
Purchased services	626,680	672,147	45,467
Supplies and materials	383,851	365,807	(18,044)
Capital outlay	10,870	81,254	70,384
Non-capitalized equipment	51,678	22,644	(29,034)
Total operation and maintenance of plant services	<u>1,311,546</u>	<u>1,378,233</u>	<u>66,687</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Pupil transportation services			
Purchased services	\$ 2,249,132	\$ 1,656,880	\$ (592,252)
Supplies and materials	-	15,000	15,000
Capital outlay	79,156	-	(79,156)
Non-capitalized equipment	-	1,546	1,546
	<u>2,328,288</u>	<u>1,673,426</u>	<u>(654,862)</u>
Total pupil transportation services			
Food services			
Salaries	4,622,760	4,865,000	242,240
Employee benefits	1,368,525	1,476,558	108,033
Purchased services	303,410	388,008	84,598
Supplies and materials	10,074,105	11,015,580	941,475
Capital outlay	647,442	966,732	319,290
Other objects	23,000	21,565	(1,435)
Non-capitalized equipment	10,000	148,243	138,243
	<u>17,049,242</u>	<u>18,881,686</u>	<u>1,832,444</u>
Total food services			
Internal services			
Salaries	772,868	754,309	(18,559)
Employee benefits	141,350	139,748	(1,602)
Purchased services	247,467	208,916	(38,551)
Supplies and materials	283,500	255,778	(27,722)
Capital outlay	189,000	39,816	(149,184)
Non-capitalized equipment	29,000	1,298	(27,702)
	<u>1,663,185</u>	<u>1,399,865</u>	<u>(263,320)</u>
Total internal services			
Total business	<u>24,973,445</u>	<u>25,816,977</u>	<u>843,532</u>
Central			
Direction of central support services			
Salaries	154,769	154,769	-
Employee benefits	12,850	12,939	89
Total direction of central support services	<u>167,619</u>	<u>167,708</u>	<u>89</u>
Planning, research, development and evaluation services			
Salaries	696,910	699,829	2,919
Employee benefits	129,166	151,484	22,318
Purchased services	399,597	419,149	19,552
Supplies and materials	52,880	22,893	(29,987)
Other objects	400	-	(400)
Non-capitalized equipment	8,000	3,973	(4,027)
	<u>1,286,953</u>	<u>1,297,328</u>	<u>10,375</u>
Total planning, research, development and evaluation services			

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Information services			
Salaries	\$ 379,500	\$ 429,487	\$ 49,987
Employee benefits	64,250	67,244	2,994
Purchased services	257,083	244,768	(12,315)
Supplies and materials	9,740	15,093	5,353
Other objects	550	-	(550)
Non-capitalized equipment	3,000	2,140	(860)
Total information services	<u>714,123</u>	<u>758,732</u>	<u>44,609</u>
Staff services			
Salaries	3,534,616	3,558,709	24,093
Employee benefits	1,071,531	825,323	(246,208)
Purchased services	972,677	948,266	(24,411)
Supplies and materials	81,200	78,690	(2,510)
Other objects	7,350	20,578	13,228
Non-capitalized equipment	5,098	88,131	83,033
Total staff services	<u>5,672,472</u>	<u>5,519,697</u>	<u>(152,775)</u>
Data processing services			
Salaries	3,301,160	3,097,170	(203,990)
Employee benefits	723,571	670,769	(52,802)
Purchased services	3,628,068	3,903,161	275,093
Supplies and materials	200,300	144,167	(56,133)
Capital outlay	-	763,240	763,240
Other objects	17,950	15,250	(2,700)
Non-capitalized equipment	746,500	101,875	(644,625)
Total data processing services	<u>8,617,549</u>	<u>8,695,632</u>	<u>78,083</u>
Total central	<u>16,458,716</u>	<u>16,439,097</u>	<u>(19,619)</u>
Other supporting services			
Salaries	77,798	115,484	37,686
Employee benefits	44,322	42,130	(2,192)
Purchased services	29,175	56,398	27,223
Supplies and materials	108,625	111,296	2,671
Total other supporting services	<u>259,920</u>	<u>325,308</u>	<u>65,388</u>
Total support services	<u>136,756,955</u>	<u>134,352,312</u>	<u>(2,404,643)</u>

See notes to required supplementary information

## Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Community services			
Salaries	\$ 5,499,750	\$ 5,410,730	\$ (89,020)
Employee benefits	2,237,782	2,132,819	(104,963)
Purchased services	592,186	304,011	(288,175)
Supplies and materials	261,186	159,938	(101,248)
Other objects	-	50	50
Non-capitalized equipment	16,811	13,692	(3,119)
Total community services	<u>8,607,715</u>	<u>8,021,240</u>	<u>(586,475)</u>
Payments for special education programs			
Purchased services	2,715,853	2,575,720	(140,133)
Other objects	-	100,740	100,740
Total payments for special education programs	<u>2,715,853</u>	<u>2,676,460</u>	<u>(39,393)</u>
Other payments to in-state governmental units			
Purchased services	1,227,860	1,115,689	(112,171)
Total other payments to in-state governmental units	<u>1,227,860</u>	<u>1,115,689</u>	<u>(112,171)</u>
Total payments to other districts and governmental units	<u>3,943,713</u>	<u>3,792,149</u>	<u>(151,564)</u>
Total expenditures	<u>407,071,656</u>	<u>406,831,424</u>	<u>(240,232)</u>
Excess (deficiency) of revenues over expenditures	(4,217,132)	(766,756)	3,450,376
<b>Other Financing Sources (Uses)</b>			
Sale or compensation for fixed assets	-	73,147	73,147
Total other financing sources (uses)	-	73,147	73,147
Net change in fund balances	<u>\$ (4,217,132)</u>	<u>(693,609)</u>	<u>\$ 3,523,523</u>
<b>Fund Balances, Beginning</b>		<u>191,643,890</u>	
<b>Fund Balances, Ending</b>		<u>\$ 190,950,281</u>	

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Transportation Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Local sources			
General levy	\$ 11,229,110	\$ 11,639,464	\$ 410,354
Regular transportation fees from private sources (in state)	228,000	577,430	349,430
Investment income	554,600	729,456	174,856
Refund of prior years' expenditures	-	2,971	2,971
Other	-	5,374	5,374
Total local sources	<u>12,011,710</u>	<u>12,954,695</u>	<u>942,985</u>
State sources			
Transportation, regular/vocational	15,800,000	14,262,926	(1,537,074)
Transportation, special education	<u>4,470,000</u>	<u>4,166,722</u>	<u>(303,278)</u>
Total state sources	<u>20,270,000</u>	<u>18,429,648</u>	<u>(1,840,352)</u>
Total revenues	<u>32,281,710</u>	<u>31,384,343</u>	<u>(897,367)</u>
<b>Expenditures</b>			
Support services			
Business			
Pupil transportation services			
Salaries	10,715,404	9,723,263	(992,141)
Employee benefits	3,209,288	2,540,004	(669,284)
Purchased services	12,771,708	13,467,608	695,900
Supplies and materials	3,618,150	2,452,776	(1,165,374)
Capital outlay	100,000	286,320	186,320
Other objects	900	588	(312)
Non-capitalized equipment	<u>405,000</u>	<u>21,878</u>	<u>(383,122)</u>
Total pupil transportation services	<u>30,820,450</u>	<u>28,492,437</u>	<u>(2,328,013)</u>
Total business	<u>30,820,450</u>	<u>28,492,437</u>	<u>(2,328,013)</u>
Other supporting services			
Salaries	39,535	39,535	-
Employee benefits	3,212	3,236	24
Other objects	-	5,563	5,563
Total other supporting services	<u>42,747</u>	<u>48,334</u>	<u>5,587</u>
Total support services	<u>30,863,197</u>	<u>28,540,771</u>	<u>(2,322,426)</u>
Total expenditures	<u>30,863,197</u>	<u>28,540,771</u>	<u>(2,322,426)</u>
Excess (deficiency) of revenues over expenditures	<u>1,418,513</u>	<u>2,843,572</u>	<u>1,425,059</u>

See notes to required supplementary information

## Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Transportation Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Other Financing Sources (Uses)</b>			
Sale or compensation for fixed assets	\$ -	\$ 107,696	\$ 107,696
Total other financing sources (uses)	_____ -	107,696	107,696
Net change in fund balances	\$ 1,418,513	2,951,268	\$ 1,532,755
<b>Fund Balances, Beginning</b>		12,286,383	
<b>Fund Balances, Ending</b>		<u>\$ 15,237,651</u>	

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Operations and Maintenance Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Local sources			
General levy	\$ 21,492,677	\$ 21,697,138	\$ 204,461
Corporate personal property replacement taxes	18,000,000	15,000,000	(3,000,000)
Investment income	490,600	781,853	291,253
Other pupil activity revenue	35,000	36,810	1,810
Rentals	45,000	81,418	36,418
Refund of prior years' expenditures	-	23,602	23,602
Payments of surplus monies from TIF districts	-	75,827	75,827
Other	104,000	757,944	653,944
Total local sources	<u>40,167,277</u>	<u>38,454,592</u>	<u>(1,712,685)</u>
State sources			
School infrastructure, maintenance projects	-	35,850	35,850
Total state sources	<u>-</u>	<u>35,850</u>	<u>35,850</u>
Federal sources			
Federal, special education, preschool flow-through	-	14,760	14,760
Other restricted revenue from federal sources	-	167,062	167,062
Total federal sources	<u>-</u>	<u>181,822</u>	<u>181,822</u>
Total revenues	<u>40,167,277</u>	<u>38,672,264</u>	<u>(1,495,013)</u>
<b>Expenditures</b>			
Support services			
Business			
Direction of business support services			
Other objects	-	6,688	6,688
Total direction of business support services	<u>-</u>	<u>6,688</u>	<u>6,688</u>
Facilities acquisition and construction services			
Salaries	-	19,564	19,564
Purchased services	-	220,422	220,422
Supplies and materials	-	11,344	11,344
Capital outlay	-	366,561	366,561
Non-capitalized equipment	-	668	668
Total facilities acquisition and construction services	<u>-</u>	<u>618,559</u>	<u>618,559</u>
Operation and maintenance of plant services			
Salaries	4,440,888	4,181,775	(259,113)
Employee benefits	730,523	693,507	(37,016)
Purchased services	16,635,874	16,513,216	(122,658)
Supplies and materials	8,636,947	8,707,214	70,267
Capital outlay	3,200,211	2,856,448	(343,763)
Other objects	4,500	7,656	3,156
Non-capitalized equipment	875,896	806,995	(68,901)
Total operation and maintenance of plant services	<u>34,524,839</u>	<u>33,766,811</u>	<u>(758,028)</u>
Total business	<u>34,524,839</u>	<u>34,392,058</u>	<u>(132,781)</u>

*See notes to required supplementary information*

## Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Operations and Maintenance Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Other supporting services			
Salaries	\$ 467,783	\$ 446,521	\$ (21,262)
Employee benefits	96,375	95,313	(1,062)
Total other supporting services	<u>564,158</u>	<u>541,834</u>	<u>(22,324)</u>
Total support services	<u>35,088,997</u>	<u>34,933,892</u>	<u>(155,105)</u>
Total expenditures	<u>35,088,997</u>	<u>34,933,892</u>	<u>(155,105)</u>
Excess (deficiency) of revenues over expenditures	<u>5,078,280</u>	<u>3,738,372</u>	<u>(1,339,908)</u>
<b>Other Financing Sources (Uses)</b>			
Sale or compensation for fixed assets	-	25,698	25,698
Total other financing sources (uses)	-	25,698	25,698
Net change in fund balances	<u>\$ 5,078,280</u>	<u>3,764,070</u>	<u>\$ (1,314,210)</u>
<b>Fund Balances, Beginning</b>		<u>10,161,034</u>	
<b>Fund Balances, Ending</b>		<u>\$ 13,925,104</u>	

# **Rockford Public Schools District No. 205**

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Notes to Required Supplementary Information  
Year Ended June 30, 2025

## **Stewardship, Compliance and Accountability**

### **Budgetary Data**

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

### **Budget Reconciliations**

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts in the Educational Accounts of the General Fund. The differences between the budget and GAAP basis are as follows:

	<b>Revenues</b>	<b>Expenditures</b>
General Fund budgetary basis	\$ 406,064,668	\$ 406,831,424
To adjust for on-behalf payments received	96,424,162	-
To adjust for on-behalf payments made	-	96,424,162
General Fund GAAP basis	<u>\$ 502,488,830</u>	<u>\$ 503,255,586</u>

**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - OPERATING FUNDS**

## OPERATING FUNDS

### GENERAL FUND

**General Fund** - The general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid. The General Fund is comprised of the following account groups:

**Educational Account** - This is effectively the District's general fund, each transaction not accommodated by another specific fund shall be processed through this account group.

**Working Cash Account** - Accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements. As allowed by the School Code of Illinois, this fund may be permanently abolished and become part of the Educational Account or it may be partially abated to other funds of the District.

### SPECIAL REVENUE FUNDS

**Operations and Maintenance Fund** - Accounts for expenditures made for repair and maintenance of the District's building and land. Revenue consists primarily of local property taxes.

**Transportation Fund** - Accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance

Operating Funds

Year Ended June 30, 2025

	General Fund	Operations & Maintenance Fund	Transportation Fund	Total Operating Funds
<b>Revenues</b>				
Property taxes	\$ 97,703,907	\$ 21,697,138	\$ 11,639,464	\$ 131,040,509
Corporate personal property replacement taxes	10,021,554	15,000,000	-	25,021,554
State aid	306,441,996	35,850	18,429,648	324,907,494
Federal aid	71,908,232	181,822	-	72,090,054
Investment income	11,910,993	781,853	729,456	13,422,302
Student activities	1,694,076	-	-	1,694,076
Refund of prior years' expenditures	272,702	23,602	2,971	299,275
Payments of surplus monies from TIF districts	-	75,827	-	75,827
Other	2,535,370	876,172	582,804	3,994,346
<b>Total revenues</b>	<b>502,488,830</b>	<b>38,672,264</b>	<b>31,384,343</b>	<b>572,545,437</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	124,495,443	-	-	124,495,443
Special programs	77,458,206	-	-	77,458,206
Other instructional programs	56,586,573	-	-	56,586,573
Student activities	1,751,580	-	-	1,751,580
Support services:				
Pupils	39,366,727	-	-	39,366,727
Instructional staff	24,069,731	-	-	24,069,731
General administration	6,008,004	-	-	6,008,004
School administration	22,321,019	-	-	22,321,019
Business	21,758,770	6,688	-	21,765,458
Transportation	1,673,426	-	28,206,117	29,879,543
Operations and maintenance	1,296,979	31,162,361	-	32,459,340
Central	15,675,857	-	-	15,675,857
Other supporting services	325,308	541,834	48,334	915,476
Community services	8,021,240	-	-	8,021,240
Intergovernmental:				
State retirement contributions	96,424,162	-	-	96,424,162
Payments to other districts and government units	3,792,149	-	-	3,792,149
Capital outlay	2,230,412	3,223,009	286,320	5,739,741
<b>Total expenditures</b>	<b>503,255,586</b>	<b>34,933,892</b>	<b>28,540,771</b>	<b>566,730,249</b>
Excess (deficiency) of revenues over expenditures	(766,756)	3,738,372	2,843,572	5,815,188
<b>Other Financing Sources (Uses)</b>				
Sale or compensation for fixed assets	73,147	25,698	107,696	206,541
<b>Total other financing sources (uses)</b>	<b>73,147</b>	<b>25,698</b>	<b>107,696</b>	<b>206,541</b>
Net change in fund balances	(693,609)	3,764,070	2,951,268	6,021,729
<b>Fund Balances, Beginning</b>	<b>191,643,890</b>	<b>10,161,034</b>	<b>12,286,383</b>	<b>214,091,307</b>
<b>Fund Balances, Ending</b>	<b>\$ 190,950,281</b>	<b>\$ 13,925,104</b>	<b>\$ 15,237,651</b>	<b>\$ 220,113,036</b>

## Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Debt Service Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget
			Over (Under)
<b>Revenues</b>			
Local sources			
General levy	\$ 14,919,844	\$ 14,948,759	\$ 28,915
Investment income	<u>1,278,100</u>	<u>1,267,998</u>	<u>(10,102)</u>
Total local sources	<u>16,197,944</u>	<u>16,216,757</u>	<u>18,813</u>
Federal sources			
Build America bond interest reimbursements	<u>1,065,300</u>	<u>1,062,155</u>	<u>(3,145)</u>
Total federal sources	<u>1,065,300</u>	<u>1,062,155</u>	<u>(3,145)</u>
Total revenues	<u>17,263,244</u>	<u>17,278,912</u>	<u>15,668</u>
<b>Expenditures</b>			
Payments on long-term debt			
Interest on long term debt	5,654,833	5,654,833	-
Principal payments on long term debt	<u>10,385,000</u>	<u>10,385,000</u>	<u>-</u>
Total payments on long-term debt	<u>16,039,833</u>	<u>16,039,833</u>	<u>-</u>
Other debt service			
Purchased services	<u>-</u>	<u>300</u>	<u>300</u>
Total other debt service	<u>-</u>	<u>300</u>	<u>300</u>
Total debt service	<u>16,039,833</u>	<u>16,040,133</u>	<u>300</u>
Total expenditures	<u>16,039,833</u>	<u>16,040,133</u>	<u>300</u>
Net change in fund balances	\$ 1,223,411	1,238,779	\$ 15,368
<b>Fund Balances, Beginning</b>			<u>31,405,456</u>
<b>Fund Balances, Ending</b>			<u>\$ 32,644,235</u>

## Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Capital Project Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Local sources			
Corporate personal property replacement taxes	\$ -	\$ 3,699,793	\$ 3,699,793
Investment income	490,600	1,207,076	716,476
Refund of prior years' expenditures	-	450,003	450,003
Total local sources	490,600	5,356,872	4,866,272
Federal sources			
Other restricted revenue from federal sources	30,000,000	28,074,904	(1,925,096)
Total federal sources	30,000,000	28,074,904	(1,925,096)
Total revenues	30,490,600	33,431,776	2,941,176
<b>Expenditures</b>			
Support services			
Business			
Facilities acquisition and construction services			
Purchased services	3,759,859	1,452,113	(2,307,746)
Supplies and materials	46,676,000	5,132	(46,670,868)
Capital outlay	-	58,321,362	58,321,362
Non-capitalized equipment	-	90,968	90,968
Total facilities acquisition and construction services	50,435,859	59,869,575	9,433,716
Total business	50,435,859	59,869,575	9,433,716
Total support services	50,435,859	59,869,575	9,433,716
Total expenditures	50,435,859	59,869,575	9,433,716
Net change in fund balances	\$ (19,945,259)	(26,437,799)	\$ (6,492,540)
<b>Fund Balances, Beginning</b>		32,829,761	
<b>Fund Balances, Ending</b>		\$ 6,391,962	

**SUPPLEMENTARY INFORMATION**

**GENERAL FUND ACCOUNTS - SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**

## **GENERAL FUND**

**General Fund** - The general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid. The General Fund is comprised of the following account groups:

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# Rockford Public Schools District No. 205

Combining Balance Sheet -

General Fund - By Account

June 30, 2025

	<b>Educational Accounts</b>	<b>Working Cash Accounts</b>	<b>Total</b>
<b>Assets</b>			
Cash	\$ 175,546,203	\$ 41,765,091	\$ 217,311,294
Student activity cash and investments	1,421,649	-	1,421,649
Receivables (net of allowance for uncollectibles):			
Property taxes	44,700,596	14,476	44,715,072
Intergovernmental	16,402,095	-	16,402,095
Interest	-	1,857,507	1,857,507
Other	607,918	-	607,918
Prepaid items	1,806,048	-	1,806,048
<b>Total assets</b>	<b>\$ 240,484,509</b>	<b>\$ 43,637,074</b>	<b>\$ 284,121,583</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 7,270,523	\$ -	\$ 7,270,523
Salaries and wages payable	35,552,466	-	35,552,466
Unearned revenue	1,125,562	-	1,125,562
Other current liabilities	16,374	-	16,374
<b>Total liabilities</b>	<b>43,964,925</b>	<b>-</b>	<b>43,964,925</b>
<b>Deferred Inflows of Resources</b>			
Property taxes levied for a future period	48,755,853	15,542	48,771,395
Unavailable other receivable	434,982	-	434,982
<b>Total deferred inflows of resources</b>	<b>49,190,835</b>	<b>15,542</b>	<b>49,206,377</b>
<b>Fund Balances</b>			
Nonspendable	1,806,048	-	1,806,048
Restricted for:			
Nutrition services	13,114,442	-	13,114,442
Assigned for:			
Student activities	1,421,649	-	1,421,649
Unassigned	130,986,610	43,621,532	174,608,142
<b>Total fund balances</b>	<b>147,328,749</b>	<b>43,621,532</b>	<b>190,950,281</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 240,484,509</b>	<b>\$ 43,637,074</b>	<b>\$ 284,121,583</b>

# Rockford Public Schools District No. 205

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -

General Fund - By Account

Year Ended June 30, 2025

	Educational Accounts	Working Cash Accounts	Total
<b>Revenues</b>			
Property taxes	\$ 97,674,656	\$ 29,251	\$ 97,703,907
Corporate personal property replacement taxes	10,021,554	-	10,021,554
Student activities	1,694,076	-	1,694,076
State aid	306,441,996	-	306,441,996
Federal aid	71,908,232	-	71,908,232
Investment income	9,446,645	2,464,348	11,910,993
Refund of prior years' expenditures	272,702	-	272,702
Other	2,535,370	-	2,535,370
 Total revenues	 499,995,231	 2,493,599	 502,488,830
 <b>Expenditures</b>			
Current:			
Instruction:			
Regular programs	124,495,443	-	124,495,443
Special programs	77,458,206	-	77,458,206
Other instructional programs	56,586,573	-	56,586,573
Student activities	1,751,580	-	1,751,580
Support services:			
Pupils	39,366,727	-	39,366,727
Instructional staff	24,069,731	-	24,069,731
General administration	6,008,004	-	6,008,004
School administration	22,321,019	-	22,321,019
Business	21,758,770	-	21,758,770
Transportation	1,673,426	-	1,673,426
Operations and maintenance	1,296,979	-	1,296,979
Central	15,675,857	-	15,675,857
Other supporting services	325,308	-	325,308
Community services	8,021,240	-	8,021,240
Intergovernmental:			
State retirement contributions	96,424,162	-	96,424,162
Payments to other districts and government units	3,792,149	-	3,792,149
Capital outlay	2,230,412	-	2,230,412
 Total expenditures	 503,255,586	 - -	 503,255,586
 Excess (deficiency) of revenues over expenditures	 (3,260,355)	 2,493,599	 (766,756)
 <b>Other Financing Sources (Uses)</b>			
Sale or compensation for fixed assets	73,147	-	73,147
 Total other financing sources (uses)	 73,147	 - -	 73,147
 Net change in fund balances	 (3,187,208)	 2,493,599	 (693,609)
 <b>Fund Balances, Beginning</b>	 150,515,957	 41,127,933	 191,643,890
 <b>Fund Balances, Ending</b>	 \$ 147,328,749	 \$ 43,621,532	 \$ 190,950,281

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Local sources			
General levy	\$ 79,991,341	\$ 81,570,070	\$ 1,578,729
Special education levy	15,630,573	16,104,586	474,013
Corporate personal property replacement taxes	13,021,554	10,021,554	(3,000,000)
Regular tuition from pupils or parents (in state)	-	48,839	48,839
Summer school tuition from pupils or parents (in state)	20,000	-	(20,000)
CTE, tuition from other sources (in state)	15,000	-	(15,000)
Special education tuition from other LEA's (in state)	850,000	1,005,957	155,957
Investment income	7,167,300	9,446,645	2,279,345
Sales to pupils, a la carte	55,000	81,415	26,415
Other food service	17,500	60,970	43,470
Admissions, athletic	-	55,736	55,736
Admissions, other	5,000	-	(5,000)
Fees	50,000	21,989	(28,011)
Other pupil activity revenue	-	16,666	16,666
Student activities	2,000,000	1,694,076	(305,924)
Rentals	-	2,567	2,567
Contributions and donations from private sources	-	144,184	144,184
Refund of prior years' expenditures	-	272,702	272,702
Driver's education fees	55,000	47,175	(7,825)
Other local fees	-	200	200
Other	398,050	1,049,672	651,622
Total local sources	<u>119,276,318</u>	<u>121,645,003</u>	<u>2,368,685</u>
Flow-through revenue from one LEA to another LEA			
Flow-through revenue from state sources	-	23,059	23,059
Total flow-through revenue from one LEA to another LEA	<u>-</u>	<u>23,059</u>	<u>23,059</u>
State sources			
Evidence based funding	190,128,141	190,156,655	28,514
Special education, private facility tuition	4,000,000	3,372,476	(627,524)
Special education, orphanage, individual	1,200,000	1,156,203	(43,797)
Special education, orphanage, summer	15,000	20,751	5,751
State free lunch and breakfast	193,800	240,038	46,238
Driver education	125,000	107,504	(17,496)
Adult education from Illinois Community College Board	799,852	709,372	(90,480)
Truant alternative/optional education	209,551	92,656	(116,895)
Early childhood, block grant	12,656,364	13,016,464	360,100
Other restricted revenue from state sources	<u>1,237,289</u>	<u>1,122,656</u>	<u>(114,633)</u>
Total state sources	<u>210,564,997</u>	<u>209,994,775</u>	<u>(570,222)</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues (continued)</b>			
Federal sources			
Federal impact aid	\$ -	\$ 124,552	\$ 124,552
Other restricted grants-in-aid received directly from the federal government	70,000	71,460	1,460
Title V, other	222,510	222,898	388
National school lunch program	13,556,189	14,581,001	1,024,812
School breakfast program	4,603,480	5,041,017	437,537
Child care commodity/SFS 13-adult day care	2,000	2,317	317
Fresh fruits and vegetables	-	64,298	64,298
Food service, other	1,026,500	1,284,215	257,715
Title I, low income	21,366,855	19,778,958	(1,587,897)
Title I, other	2,379,410	2,658,243	278,833
Title IV, safe and drug free schools, formula	1,732,026	2,004,155	272,129
Title IV, 21st Century	584,583	466,536	(118,047)
Federal, special education, preschool flow-through	486,780	363,257	(123,523)
Federal, special education, IDEA, flow-through	10,974,531	9,253,275	(1,721,256)
Federal, special education, IDEA, room and board	80,000	67,373	(12,627)
Federal, adult education	328,547	279,974	(48,573)
Emergency immigrant assistance	138,606	75,114	(63,492)
Title III, english language acquisition	761,826	525,557	(236,269)
McKinney education for homeless children	56,000	81,743	25,743
Title II, teacher quality	1,483,676	1,493,628	9,952
Medicaid matching funds, administrative outreach	2,000,000	1,245,828	(754,172)
Medicaid matching funds, fee-for-service program	3,300,000	4,052,805	752,805
Other restricted revenue from federal sources	<u>6,276,645</u>	<u>8,170,028</u>	<u>1,893,383</u>
Total federal sources	<u>71,430,164</u>	<u>71,908,232</u>	<u>478,068</u>
Total revenues	<u>401,271,479</u>	<u>403,571,069</u>	<u>2,299,590</u>
<b>Expenditures</b>			
Instruction			
Regular programs			
Salaries	70,306,715	73,800,808	3,494,093
Employee benefits	26,263,736	22,860,507	(3,403,229)
Purchased services	6,827,067	5,445,896	(1,381,171)
Supplies and materials	7,315,941	8,250,756	934,815
Capital outlay	45,000	68,671	23,671
Other objects	23,120	14,354	(8,766)
Non-capitalized equipment	<u>1,134,987</u>	<u>2,588,968</u>	<u>1,453,981</u>
Total regular programs	<u>111,916,566</u>	<u>113,029,960</u>	<u>1,113,394</u>
Tuition payment to charter schools			
Purchased services	<u>11,695,639</u>	<u>11,534,154</u>	<u>(161,485)</u>
Total tuition payment to charter schools	<u>11,695,639</u>	<u>11,534,154</u>	<u>(161,485)</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Pre-K programs			
Salaries	\$ 5,921,558	\$ 6,052,720	\$ 131,162
Employee benefits	2,907,475	2,541,944	(365,531)
Purchased services	452,968	452,199	(769)
Supplies and materials	269,350	255,139	(14,211)
Non-capitalized equipment	<u>66,031</u>	<u>29,469</u>	<u>(36,562)</u>
Total pre-K programs	<u>9,617,382</u>	<u>9,331,471</u>	<u>(285,911)</u>
Special education programs			
Salaries	26,508,362	27,181,484	673,122
Employee benefits	10,608,911	9,310,213	(1,298,698)
Purchased services	1,033,309	6,081,042	5,047,733
Supplies and materials	92,580	248,470	155,890
Other objects	11,100,000	12,403,292	1,303,292
Non-capitalized equipment	<u>36,000</u>	<u>35,596</u>	<u>(404)</u>
Total special education programs	<u>49,379,162</u>	<u>55,260,097</u>	<u>5,880,935</u>
Special education programs Pre-K			
Salaries	3,337,268	3,028,118	(309,150)
Employee benefits	1,219,566	1,062,859	(156,707)
Purchased services	61,000	181,030	120,030
Supplies and materials	4,500	45,187	40,687
Non-capitalized equipment	<u>-</u>	<u>9,715</u>	<u>9,715</u>
Total special education programs Pre-K	<u>4,622,334</u>	<u>4,326,909</u>	<u>(295,425)</u>
Remedial and supplemental programs K-12			
Salaries	12,611,279	10,949,357	(1,661,922)
Employee benefits	3,599,306	3,675,685	76,379
Purchased services	521,123	476,185	(44,938)
Supplies and materials	1,278,806	1,276,584	(2,222)
Capital outlay	<u>-</u>	<u>113,188</u>	<u>113,188</u>
Other objects	1,430,326	1,431,000	674
Non-capitalized equipment	<u>115,950</u>	<u>62,389</u>	<u>(53,561)</u>
Total remedial and supplemental programs K-12	<u>19,556,790</u>	<u>17,984,388</u>	<u>(1,572,402)</u>
Adult / continuing education programs			
Salaries	229,156	234,808	5,652
Employee benefits	67,586	72,454	4,868
Purchased services	<u>2,500</u>	<u>90</u>	<u>(2,410)</u>
Total adult / continuing education programs	<u>299,242</u>	<u>307,352</u>	<u>8,110</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
CTE programs			
Salaries	\$ 5,495,305	\$ 5,456,787	\$ (38,518)
Employee benefits	1,723,270	1,683,978	(39,292)
Purchased services	258,802	184,086	(74,716)
Supplies and materials	128,500	274,374	145,874
Capital outlay	515,000	-	(515,000)
Other objects	466,700	389,118	(77,582)
Non-capitalized equipment	-	11,848	11,848
Total CTE programs	<u>8,587,577</u>	<u>8,000,191</u>	<u>(587,386)</u>
Interscholastic programs			
Salaries	2,717,309	2,557,250	(160,059)
Employee benefits	275,808	169,985	(105,823)
Purchased services	758,995	687,455	(71,540)
Supplies and materials	1,257,200	868,642	(388,558)
Capital outlay	-	150,654	150,654
Other objects	249,800	147,952	(101,848)
Non-capitalized equipment	-	130,655	130,655
Total interscholastic programs	<u>5,259,112</u>	<u>4,712,593</u>	<u>(546,519)</u>
Summer school programs			
Salaries	1,525,835	1,034,690	(491,145)
Employee benefits	177,821	139,185	(38,636)
Purchased services	816,235	511,683	(304,552)
Supplies and materials	280,674	282,195	1,521
Capital outlay	-	12,023	12,023
Non-capitalized equipment	-	2,998	2,998
Total summer school programs	<u>2,800,565</u>	<u>1,982,774</u>	<u>(817,791)</u>
Gifted programs			
Salaries	4,977,596	4,984,670	7,074
Employee benefits	1,429,381	1,400,189	(29,192)
Purchased services	173,144	179,792	6,648
Supplies and materials	77,628	63,588	(14,040)
Capital outlay	50,000	7,286	(42,714)
Other objects	1,500	1,666	166
Non-capitalized equipment	-	3,459	3,459
Total gifted programs	<u>6,709,249</u>	<u>6,640,650</u>	<u>(68,599)</u>
Driver's education programs			
Salaries	451,904	573,790	121,886
Employee benefits	86,863	99,843	12,980
Purchased services	24,800	23,905	(895)
Supplies and materials	-	16,694	16,694
Total driver's education programs	<u>563,567</u>	<u>714,232</u>	<u>150,665</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Bilingual programs			
Salaries	\$ 14,542,214	\$ 15,187,979	\$ 645,765
Employee benefits	4,609,058	4,500,778	(108,280)
Purchased services	362,310	289,694	(72,616)
Supplies and materials	<u>232,571</u>	<u>391,846</u>	<u>159,275</u>
Total bilingual programs	<u>19,746,153</u>	<u>20,370,297</u>	<u>624,144</u>
Truant's alternative and optional programs			
Salaries	3,278,011	3,091,163	(186,848)
Employee benefits	880,489	870,240	(10,249)
Purchased services	119,760	69,460	(50,300)
Supplies and materials	69,500	41,599	(27,901)
Capital outlay	-	22,099	22,099
Other objects	649,175	588,720	(60,455)
Non-capitalized equipment	<u>13,000</u>	<u>35,794</u>	<u>22,794</u>
Total truant's alternative and optional programs	<u>5,009,935</u>	<u>4,719,075</u>	<u>(290,860)</u>
Student activities			
Other objects	<u>2,000,000</u>	<u>1,751,580</u>	<u>(248,420)</u>
Total student activities	<u>2,000,000</u>	<u>1,751,580</u>	<u>(248,420)</u>
Total instruction	<u>257,763,273</u>	<u>260,665,723</u>	<u>2,902,450</u>
Support services			
Pupils			
Attendance and social work services			
Salaries	6,882,323	5,915,600	(966,723)
Employee benefits	2,012,180	1,811,917	(200,263)
Purchased services	890,355	901,746	11,391
Supplies and materials	<u>20,800</u>	<u>46,226</u>	<u>25,426</u>
Total attendance and social work services	<u>9,805,658</u>	<u>8,675,489</u>	<u>(1,130,169)</u>
Guidance services			
Salaries	6,657,007	6,622,875	(34,132)
Employee benefits	1,878,378	1,712,840	(165,538)
Purchased services	935,268	1,220,531	285,263
Supplies and materials	131,431	335,755	204,324
Other objects	500	414	(86)
Non-capitalized equipment	<u>1,000</u>	<u>511</u>	<u>(489)</u>
Total guidance services	<u>9,603,584</u>	<u>9,892,926</u>	<u>289,342</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Health services			
Salaries	\$ 4,527,861	\$ 3,969,239	\$ (558,622)
Employee benefits	1,315,672	1,152,758	(162,914)
Purchased services	24,500	41,880	17,380
Supplies and materials	54,900	223,928	169,028
Other objects	6,000	6,000	-
	<hr/>	<hr/>	<hr/>
Total health services	5,928,933	5,393,805	(535,128)
Psychological services			
Salaries	3,329,227	2,944,169	(385,058)
Employee benefits	818,803	674,274	(144,529)
Purchased services	33,340	258,858	225,518
Supplies and materials	30,000	22,141	(7,859)
	<hr/>	<hr/>	<hr/>
Total psychological services	4,211,370	3,899,442	(311,928)
Speech pathology and audiology services			
Salaries	3,909,588	3,780,993	(128,595)
Employee benefits	1,110,394	1,018,311	(92,083)
Purchased services	936,859	2,915,424	1,978,565
Supplies and materials	32,000	23,865	(8,135)
Other objects	-	278	278
Non-capitalized equipment	2,000	-	(2,000)
	<hr/>	<hr/>	<hr/>
Total speech pathology and audiology services	5,990,841	7,738,871	1,748,030
Other support services - pupils			
Salaries	2,862,266	2,786,316	(75,950)
Employee benefits	801,688	828,530	26,842
Purchased services	56,000	107,005	51,005
Supplies and materials	46,000	44,343	(1,657)
	<hr/>	<hr/>	<hr/>
Total other support services - pupils	3,765,954	3,766,194	240
Total pupils	<hr/>	<hr/>	<hr/>
	39,306,340	39,366,727	60,387
Instructional staff			
Improvement of instructional services			
Salaries	13,070,532	10,098,439	(2,972,093)
Employee benefits	3,274,435	2,531,419	(743,016)
Purchased services	4,137,667	4,407,425	269,758
Supplies and materials	384,382	416,227	31,845
Capital outlay	-	5,449	5,449
Other objects	38,540	254,287	215,747
Non-capitalized equipment	13,500	35,728	22,228
	<hr/>	<hr/>	<hr/>
Total improvement of instructional services	20,919,056	17,748,974	(3,170,082)

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Educational media services			
Salaries	\$ 2,661,543	\$ 2,659,946	\$ (1,597)
Employee benefits	957,725	991,639	33,914
Purchased services	179,400	134,772	(44,628)
Supplies and materials	1,306,296	1,453,420	147,124
Non-capitalized equipment	-	54,181	54,181
Total educational media services	<u>5,104,964</u>	<u>5,293,958</u>	<u>188,994</u>
Assessment and testing			
Salaries	199,836	192,455	(7,381)
Employee benefits	16,742	17,326	584
Purchased services	785,139	812,783	27,644
Supplies and materials	206,066	9,684	(196,382)
Total assessment and testing	<u>1,207,783</u>	<u>1,032,248</u>	<u>(175,535)</u>
Total instructional staff	<u>27,231,803</u>	<u>24,075,180</u>	<u>(3,156,623)</u>
General administration			
Board of education services			
Salaries	781,188	781,189	1
Employee benefits	89,950	90,087	137
Purchased services	1,170,835	1,274,284	103,449
Supplies and materials	28,775	17,034	(11,741)
Other objects	31,000	27,717	(3,283)
Non-capitalized equipment	4,000	8,836	4,836
Total board of education services	<u>2,105,748</u>	<u>2,199,147</u>	<u>93,399</u>
Executive administration services			
Salaries	410,885	410,885	-
Employee benefits	69,960	70,038	78
Purchased services	44,005	166,671	122,666
Supplies and materials	5,820	4,345	(1,475)
Other objects	17,700	26,151	8,451
Non-capitalized equipment	2,000	2,113	113
Total executive administration services	<u>550,370</u>	<u>680,203</u>	<u>129,833</u>
Special area administration services			
Salaries	2,640,131	2,361,597	(278,534)
Employee benefits	765,972	641,796	(124,176)
Purchased services	80,756	59,856	(20,900)
Supplies and materials	43,544	49,059	5,515
Other objects	4,250	2,603	(1,647)
Non-capitalized equipment	600	13,743	13,143
Total special area administration services	<u>3,535,253</u>	<u>3,128,654</u>	<u>(406,599)</u>
Total general administration	<u>6,191,371</u>	<u>6,008,004</u>	<u>(183,367)</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
School administration			
Office of the principal services			
Salaries	\$ 17,262,212	\$ 17,332,330	\$ 70,118
Employee benefits	4,251,529	4,186,736	(64,793)
Purchased services	308,956	290,067	(18,889)
Supplies and materials	374,358	398,827	24,469
Other objects	59,564	35,729	(23,835)
Non-capitalized equipment	<u>78,741</u>	<u>77,330</u>	(1,411)
Total office of the principal services	<u>22,335,360</u>	<u>22,321,019</u>	(14,341)
Total school administration	<u>22,335,360</u>	<u>22,321,019</u>	(14,341)
Business			
Direction of business support services			
Salaries	193,750	193,750	-
Employee benefits	<u>12,850</u>	<u>12,940</u>	90
Total direction of business support services	<u>206,600</u>	<u>206,690</u>	90
Fiscal services			
Salaries	1,575,560	1,452,124	(123,436)
Employee benefits	535,550	439,319	(96,231)
Purchased services	116,674	225,110	108,436
Supplies and materials	48,500	12,455	(36,045)
Other objects	115,300	144,298	28,998
Non-capitalized equipment	<u>23,000</u>	<u>3,771</u>	(19,229)
Total fiscal services	<u>2,414,584</u>	<u>2,277,077</u>	(137,507)
Operation and maintenance of plant services			
Salaries	209,554	207,383	(2,171)
Employee benefits	28,913	28,998	85
Purchased services	626,680	672,147	45,467
Supplies and materials	383,851	365,807	(18,044)
Capital outlay	10,870	81,254	70,384
Non-capitalized equipment	<u>51,678</u>	<u>22,644</u>	(29,034)
Total operation and maintenance of plant services	<u>1,311,546</u>	<u>1,378,233</u>	66,687

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Pupil transportation services			
Purchased services	\$ 2,249,132	\$ 1,656,880	\$ (592,252)
Supplies and materials	- 15,000	15,000	15,000
Capital outlay	79,156 -	(79,156)	
Non-capitalized equipment	- 1,546	1,546	1,546
Total pupil transportation services	<u>2,328,288</u>	<u>1,673,426</u>	<u>(654,862)</u>
Food services			
Salaries	4,622,760	4,865,000	242,240
Employee benefits	1,368,525	1,476,558	108,033
Purchased services	303,410	388,008	84,598
Supplies and materials	10,074,105	11,015,580	941,475
Capital outlay	647,442	966,732	319,290
Other objects	23,000	21,565	(1,435)
Non-capitalized equipment	10,000	148,243	138,243
Total food services	<u>17,049,242</u>	<u>18,881,686</u>	<u>1,832,444</u>
Internal services			
Salaries	772,868	754,309	(18,559)
Employee benefits	141,350	139,748	(1,602)
Purchased services	247,467	208,916	(38,551)
Supplies and materials	283,500	255,778	(27,722)
Capital outlay	189,000	39,816	(149,184)
Non-capitalized equipment	29,000	1,298	(27,702)
Total internal services	<u>1,663,185</u>	<u>1,399,865</u>	<u>(263,320)</u>
Total business	<u>24,973,445</u>	<u>25,816,977</u>	<u>843,532</u>
Central			
Direction of central support services			
Salaries	154,769	154,769	-
Employee benefits	12,850	12,939	89
Total direction of central support services	<u>167,619</u>	<u>167,708</u>	<u>89</u>
Planning, research, development and evaluation services			
Salaries	696,910	699,829	2,919
Employee benefits	129,166	151,484	22,318
Purchased services	399,597	419,149	19,552
Supplies and materials	52,880	22,893	(29,987)
Other objects	400	- (400)	
Non-capitalized equipment	8,000	3,973	(4,027)
Total planning, research, development and evaluation services	<u>1,286,953</u>	<u>1,297,328</u>	<u>10,375</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Information services			
Salaries	\$ 379,500	\$ 429,487	\$ 49,987
Employee benefits	64,250	67,244	2,994
Purchased services	257,083	244,768	(12,315)
Supplies and materials	9,740	15,093	5,353
Other objects	550	-	(550)
Non-capitalized equipment	3,000	2,140	(860)
	<u>714,123</u>	<u>758,732</u>	<u>44,609</u>
Total information services	<u>714,123</u>	<u>758,732</u>	<u>44,609</u>
Staff services			
Salaries	3,534,616	3,558,709	24,093
Employee benefits	1,071,531	825,323	(246,208)
Purchased services	972,677	948,266	(24,411)
Supplies and materials	81,200	78,690	(2,510)
Other objects	7,350	20,578	13,228
Non-capitalized equipment	5,098	88,131	83,033
	<u>5,672,472</u>	<u>5,519,697</u>	<u>(152,775)</u>
Total staff services	<u>5,672,472</u>	<u>5,519,697</u>	<u>(152,775)</u>
Data processing services			
Salaries	3,301,160	3,097,170	(203,990)
Employee benefits	723,571	670,769	(52,802)
Purchased services	3,628,068	3,903,161	275,093
Supplies and materials	200,300	144,167	(56,133)
Capital outlay	-	763,240	763,240
Other objects	17,950	15,250	(2,700)
Non-capitalized equipment	746,500	101,875	(644,625)
	<u>8,617,549</u>	<u>8,695,632</u>	<u>78,083</u>
Total data processing services	<u>8,617,549</u>	<u>8,695,632</u>	<u>78,083</u>
Total central	<u>16,458,716</u>	<u>16,439,097</u>	<u>(19,619)</u>
Other supporting services			
Salaries	77,798	115,484	37,686
Employee benefits	44,322	42,130	(2,192)
Purchased services	29,175	56,398	27,223
Supplies and materials	108,625	111,296	2,671
	<u>259,920</u>	<u>325,308</u>	<u>65,388</u>
Total other supporting services	<u>259,920</u>	<u>325,308</u>	<u>65,388</u>
Total support services	<u>136,756,955</u>	<u>134,352,312</u>	<u>(2,404,643)</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Community services			
Salaries	\$ 5,499,750	\$ 5,410,730	\$ (89,020)
Employee benefits	2,237,782	2,132,819	(104,963)
Purchased services	592,186	304,011	(288,175)
Supplies and materials	261,186	159,938	(101,248)
Other objects	- 50	50	50
Non-capitalized equipment	<u>16,811</u>	<u>13,692</u>	<u>(3,119)</u>
Total community services	<u>8,607,715</u>	<u>8,021,240</u>	<u>(586,475)</u>
Payments for special education programs			
Purchased services	2,715,853	2,575,720	(140,133)
Other objects	- 100,740	100,740	100,740
Total payments for special education programs	<u>2,715,853</u>	<u>2,676,460</u>	<u>(39,393)</u>
Other payments to in-state governmental units			
Purchased services	<u>1,227,860</u>	<u>1,115,689</u>	<u>(112,171)</u>
Total other payments to in-state governmental units	<u>1,227,860</u>	<u>1,115,689</u>	<u>(112,171)</u>
Total payments to other districts and governmental units	<u>3,943,713</u>	<u>3,792,149</u>	<u>(151,564)</u>
Total expenditures	<u>407,071,656</u>	<u>406,831,424</u>	<u>(240,232)</u>
Excess (deficiency) of revenues over expenditures	<u>(5,800,177)</u>	<u>(3,260,355)</u>	<u>2,539,822</u>
<b>Other Financing Sources (Uses)</b>			
Sale or compensation for fixed assets	- 73,147	73,147	73,147
Total other financing sources (uses)	<u>- 73,147</u>	<u>73,147</u>	<u>73,147</u>
Net change in fund balances	<u>\$ (5,800,177)</u>	<u>(3,187,208)</u>	<u>\$ 2,612,969</u>
<b>Fund Balances, Beginning</b>			<u>150,515,957</u>
<b>Fund Balances, Ending</b>		<u>\$ 147,328,749</u>	

## Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Working Cash Accounts

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Local sources			
General levy	\$ 25,845	\$ 29,251	\$ 3,406
Investment income	<u>1,557,200</u>	<u>2,464,348</u>	<u>907,148</u>
Total local sources	<u>1,583,045</u>	<u>2,493,599</u>	<u>910,554</u>
Total revenues	<u>1,583,045</u>	<u>2,493,599</u>	<u>910,554</u>
<b>Expenditures</b>			
Total expenditures	-	-	-
Net change in fund balances	<u>\$ 1,583,045</u>	<u>2,493,599</u>	<u>\$ 910,554</u>
<b>Fund Balances, Beginning</b>			<u>41,127,933</u>
<b>Fund Balances, Ending</b>			<u>\$ 43,621,532</u>

**SUPPLEMENTARY INFORMATION  
NONMAJOR FUNDS SCHEDULES**

## **NONMAJOR FUNDS**

### **SPECIAL REVENUE FUNDS**

**Municipal Retirement / Social Security Fund** - Accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and corporate personal property replacement taxes.

**Tort Immunity Fund** - Accounts for all revenue and expenditures related to the prevention of tort liability. Revenue is derived primarily from local property tax collections and investment income.

### **CAPITAL PROJECT FUND**

**Fire Prevention and Life Safety Fund** - Accounts for State-approved life safety projects financed through property taxes levied specifically for such purposes.

# Rockford Public Schools District No. 205

Combining Balance Sheet -  
Nonmajor Governmental Funds  
June 30, 2025

	Municipal Retirement / Social Security Fund	Tort Immunity Fund	Fire Prevention & Life Safety Fund	Total
<b>Assets</b>				
Cash	\$ 5,953,333	\$ 6,375,050	\$ 20,729,731	\$ 33,058,114
Receivables (net of allowance for uncollectibles):				
Property taxes	3,580,062	2,456,820	354,667	6,391,549
Prepaid items	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<b>Total assets</b>	<b>\$ 9,533,395</b>	<b>\$ 8,881,870</b>	<b>\$ 21,084,398</b>	<b>\$ 39,499,663</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 203,957	\$ 1,798,915	\$ 2,002,872
Salaries and wages payable	<u>143,163</u>	<u>-</u>	<u>36,348</u>	<u>179,511</u>
<b>Total liabilities</b>	<b><u>143,163</u></b>	<b><u>203,957</u></b>	<b><u>1,835,263</u></b>	<b><u>2,182,383</u></b>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for a future period	<u>3,906,271</u>	<u>2,678,438</u>	<u>386,828</u>	<u>6,971,537</u>
<b>Total deferred inflows of resources</b>	<b><u>3,906,271</u></b>	<b><u>2,678,438</u></b>	<b><u>386,828</u></b>	<b><u>6,971,537</u></b>
<b>Fund Balances</b>				
Nonspendable	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Restricted for:				
Retirement benefits	5,483,961	<u>-</u>	<u>-</u>	5,483,961
Capital projects	<u>-</u>	<u>-</u>	1,380,620	1,380,620
Tort immunity	<u>-</u>	5,949,475	<u>-</u>	5,949,475
Assigned for:				
Capital projects	<u>-</u>	<u>-</u>	17,481,687	17,481,687
<b>Total fund balances</b>	<b><u>5,483,961</u></b>	<b><u>5,999,475</u></b>	<b><u>18,862,307</u></b>	<b><u>30,345,743</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 9,533,395</u></b>	<b><u>\$ 8,881,870</u></b>	<b><u>\$ 21,084,398</u></b>	<b><u>\$ 39,499,663</u></b>

# Rockford Public Schools District No. 205

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

Nonmajor Governmental Funds

Year Ended June 30, 2025

	Operations & Maintenance Fund	Municipal Retirement / Social Security Fund	Tort Immunity Fund	Fire Prevention & Life Safety Fund	Total
<b>Revenues</b>					
Property taxes	\$ -	\$ 7,718,025	\$ 5,961,217	\$ 747,830	\$ 14,427,072
Corporate personal property replacement taxes	-	700,000	3,000,000	529,966	4,229,966
Investment income	-	326,685	221,330	1,119,633	1,667,648
Refund of prior years' expenditures	-	-	968	121	1,089
<b>Total revenues</b>	<b>-</b>	<b>8,744,710</b>	<b>9,183,515</b>	<b>2,397,550</b>	<b>20,325,775</b>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular programs	-	1,161,916	212,594	-	1,374,510
Special programs	-	1,082,833	332,700	-	1,415,533
Other instructional programs	-	695,412	347,375	-	1,042,787
Support services:					
Pupils	-	1,062,771	512,695	-	1,575,466
Instructional staff	-	306,825	7,316	-	314,141
General administration	-	154,094	4,941,648	-	5,095,742
School administration	-	762,576	54,969	-	817,545
Business	-	907,639	205,111	-	1,112,750
Transportation	-	1,356,586	381,938	-	1,738,524
Operations and maintenance	-	617,369	1,774,760	974,192	3,366,321
Central	-	904,095	112,163	-	1,016,258
Other supporting services	-	60,301	30,768	-	91,069
Community services	-	85,686	104,233	-	189,919
Capital outlay	-	-	-	11,579,078	11,579,078
Debt Service:					
Interest and other	-	-	-	90,000	90,000
<b>Total expenditures</b>	<b>-</b>	<b>9,158,103</b>	<b>9,018,270</b>	<b>12,643,270</b>	<b>30,819,643</b>
Excess (deficiency) of revenues over expenditures	-	(413,393)	165,245	(10,245,720)	(10,493,868)
<b>Other Financing Sources (Uses)</b>					
Principal on bonds sold	-	-	-	9,900,000	9,900,000
Total other financing sources (uses)	-	-	-	9,900,000	9,900,000
Net change in fund balances	-	(413,393)	165,245	(345,720)	(593,868)
<b>Fund Balances, Beginning (as previously reported)</b>	<b>10,161,034</b>	<b>5,897,354</b>	<b>5,834,230</b>	<b>19,208,027</b>	<b>41,100,645</b>
Accounting changes (see note disclosure)	(10,161,034)	-	-	-	(10,161,034)
<b>Fund Balances, Beginning (as adjusted)</b>	<b>-</b>	<b>5,897,354</b>	<b>5,834,230</b>	<b>19,208,027</b>	<b>30,939,611</b>
<b>Fund Balances, Ending</b>	<b>\$ -</b>	<b>\$ 5,483,961</b>	<b>\$ 5,999,475</b>	<b>\$ 18,862,307</b>	<b>\$ 30,345,743</b>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Municipal Retirement / Social Security Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Local sources			
General levy	\$ 1,046,288	\$ 1,082,453	\$ 36,165
Social security/Medicare only levy	6,464,098	6,635,572	171,474
Corporate personal property replacement taxes	700,000	700,000	-
Investment income	298,600	326,685	28,085
Total local sources	<u>8,508,986</u>	<u>8,744,710</u>	<u>235,724</u>
Total revenues	<u>8,508,986</u>	<u>8,744,710</u>	<u>235,724</u>
<b>Expenditures</b>			
Instruction			
Regular programs	1,216,249	1,161,916	(54,333)
Pre-K programs	31,769	33,340	1,571
Special education programs	834,080	943,136	109,056
Special education programs Pre-K	128,497	95,211	(33,286)
Remedial and supplemental programs K-12	49,438	44,486	(4,952)
Adult / continuing education programs	2,211	1,603	(608)
CTE programs	115,252	93,979	(21,273)
Interscholastic programs	122,639	156,914	34,275
Summer school programs	22,239	10,943	(11,296)
Gifted programs	82,421	77,709	(4,712)
Driver's education programs	6,553	8,074	1,521
Bilingual programs	267,273	253,749	(13,524)
Truant's alternative and optional programs	<u>62,777</u>	<u>59,101</u>	<u>(3,676)</u>
Total instruction	<u>2,941,398</u>	<u>2,940,161</u>	<u>(1,237)</u>
Support services			
Pupils			
Attendance and social work services	330,425	276,492	(53,933)
Guidance services	216,472	203,837	(12,635)
Health services	256,358	212,871	(43,487)
Psychological services	68,584	41,519	(27,065)
Speech pathology and audiology services	66,791	53,614	(13,177)
Other support services, pupils	<u>281,286</u>	<u>274,438</u>	<u>(6,848)</u>
Total pupils	<u>1,219,916</u>	<u>1,062,771</u>	<u>(157,145)</u>
Instructional staff			
Improvement of instructional services	193,189	152,446	(40,743)
Educational media services	131,307	145,962	14,655
Assessment and testing	<u>16,467</u>	<u>8,417</u>	<u>(8,050)</u>
Total instructional staff	<u>340,963</u>	<u>306,825</u>	<u>(34,138)</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Municipal Retirement / Social Security Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
General administration			
Board of education services	\$ 95,306	\$ 95,955	\$ 649
Executive administration services	23,109	23,255	146
Special area administration services	<u>38,223</u>	<u>34,884</u>	<u>(3,339)</u>
Total general administration	<u>156,638</u>	<u>154,094</u>	<u>(2,544)</u>
School administration			
Office of the principal services	<u>799,555</u>	<u>762,576</u>	<u>(36,979)</u>
Total school administration	<u>799,555</u>	<u>762,576</u>	<u>(36,979)</u>
Business			
Direction of business support services	22,894	20,515	(2,379)
Fiscal services	199,308	185,870	(13,438)
Operation and maintenance of plant services	674,025	617,369	(56,656)
Pupil transportation services	1,328,895	1,356,586	27,691
Food services	580,850	605,947	25,097
Internal services	<u>97,768</u>	<u>95,307</u>	<u>(2,461)</u>
Total business	<u>2,903,740</u>	<u>2,881,594</u>	<u>(22,146)</u>
Central			
Direction of central support services	19,578	19,582	4
Planning, research, development and evaluation services	75,737	74,374	(1,363)
Information services	47,817	54,534	6,717
Staff services	391,037	402,100	11,063
Data processing services	<u>386,357</u>	<u>353,505</u>	<u>(32,852)</u>
Total central	<u>920,526</u>	<u>904,095</u>	<u>(16,431)</u>
Other supporting services			
Total supporting services	<u>64,176</u>	<u>60,301</u>	<u>(3,875)</u>
Total support services	<u>64,176</u>	<u>60,301</u>	<u>(3,875)</u>
Community services			
Total community services	<u>99,120</u>	<u>85,686</u>	<u>(13,434)</u>
Total expenditures	<u>9,446,032</u>	<u>9,158,103</u>	<u>(287,929)</u>
Net change in fund balances	<u>\$ (937,046)</u>	<u>(413,393)</u>	<u>\$ 523,653</u>
<b>Fund Balances, Beginning</b>			<u>5,897,354</u>
<b>Fund Balances, Ending</b>			<u>\$ 5,483,961</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Tort Immunity Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Local sources			
Tort immunity levy	\$ 5,873,711	\$ 5,961,217	\$ 87,506
Corporate personal property replacement taxes	- 3,000,000	3,000,000	3,000,000
Investment income	106,600	221,330	114,730
Refund of prior years' expenditures	- 968	968	968
Total local sources	<u>5,980,311</u>	<u>9,183,515</u>	<u>3,203,204</u>
Total revenues	<u>5,980,311</u>	<u>9,183,515</u>	<u>3,203,204</u>
<b>Expenditures</b>			
Instruction			
Regular programs			
Purchased services	450,000	212,594	(237,406)
Total regular programs	<u>450,000</u>	<u>212,594</u>	<u>(237,406)</u>
Pre-K programs			
Purchased services	100,000	114,948	14,948
Total pre-K programs	<u>100,000</u>	<u>114,948</u>	<u>14,948</u>
Special education programs			
Purchased services	100,000	229,503	129,503
Total special education programs	<u>100,000</u>	<u>229,503</u>	<u>129,503</u>
Special education programs Pre-K			
Purchased services	25,000	102,973	77,973
Total special education programs Pre-K	<u>25,000</u>	<u>102,973</u>	<u>77,973</u>
Remedial and supplemental programs K-12			
Purchased services	- 224	224	224
Total remedial and supplemental programs K-12	<u>- 224</u>	<u>224</u>	<u>224</u>
CTE programs			
Purchased services	25,000	118,565	93,565
Total CTE programs	<u>25,000</u>	<u>118,565</u>	<u>93,565</u>
Interscholastic programs			
Purchased services	10,000	26,631	16,631
Total interscholastic programs	<u>10,000</u>	<u>26,631</u>	<u>16,631</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Tort Immunity Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Gifted programs			
Purchased services	\$ _____ -	\$ 982	\$ 982
Total gifted programs	_____ -	982	982
Driver's education programs			
Purchased services	_____ -	19,796	19,796
Other objects	19,179	_____ -	(19,179)
Total driver's education programs	19,179	19,796	617
Bilingual programs			
Purchased services	125,000	66,439	(58,561)
Total bilingual programs	125,000	66,439	(58,561)
Truant's alternative and optional programs			
Purchased services	10,000	14	(9,986)
Total truant's alternative and optional programs	10,000	14	(9,986)
Total instruction	864,179	892,669	28,490
Support services			
Pupils			
Attendance and social work services			
Purchased services	12,500	26,759	14,259
Total attendance and social work services	12,500	26,759	14,259
Guidance services			
Purchased services	_____ -	93,654	93,654
Total guidance services	_____ -	93,654	93,654
Health services			
Purchased services	331,000	342,427	11,427
Total health services	331,000	342,427	11,427
Speech pathology and audiology services			
Purchased services	_____ -	321	321
Total speech pathology and audiology services	_____ -	321	321

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Tort Immunity Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Other support services - pupils			
Purchased services	\$ -	49,534	\$ 49,534
Total other support services - pupils	- -	49,534	49,534
Total pupils	343,500	512,695	169,195
Instructional staff			
Improvement of instructional services			
Purchased services	1,000	452	(548)
Total improvement of instructional services	1,000	452	(548)
Educational media services			
Purchased services	25,000	6,864	(18,136)
Total educational media services	25,000	6,864	(18,136)
Total instructional staff	26,000	7,316	(18,684)
General administration			
Board of education services			
Purchased services	390,930	560,540	169,610
Total board of education services	390,930	560,540	169,610
Special area administration services			
Purchased services	- -	20	20
Total special area administration services	- -	20	20
Claims paid from self insurance fund			
Purchased services	275,000	316,531	41,531
Total claims paid from self insurance fund	275,000	316,531	41,531
Risk management and claims service payments			
Purchased services	5,059,189	4,064,557	(994,632)
Other objects	10,000	- -	(10,000)
Total risk management and claims service payments	5,069,189	4,064,557	(1,004,632)
Total general administration	5,735,119	4,941,648	(793,471)

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Tort Immunity Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
School administration			
Office of the principal services			
Purchased services	\$ 20,000	\$ 54,969	\$ 34,969
Total office of the principal services	20,000	54,969	34,969
Total school administration	20,000	54,969	34,969
Business			
Fiscal services			
Purchased services	-	1,955	1,955
Other objects	-	32,772	32,772
Total fiscal services	-	34,727	34,727
Purchased services	1,590,791	1,774,760	183,969
Total operation and maintenance of plant services	1,590,791	1,774,760	183,969
Pupil transportation services			
Purchased services	125,000	381,938	256,938
Total pupil transportation services	125,000	381,938	256,938
Food services			
Purchased services	75,000	169,739	94,739
Total food services	75,000	169,739	94,739
Internal services			
Purchased services	10,000	645	(9,355)
Total internal services	10,000	645	(9,355)
Total business	1,800,791	2,361,809	561,018
Central			
Information services			
Purchased services	-	4,410	4,410
Total information services	-	4,410	4,410
Staff services			
Purchased services	65,067	103,891	38,824
Total staff services	65,067	103,891	38,824
Data processing services			
Purchased services	-	3,862	3,862
Total data processing services	-	3,862	3,862
Total central	65,067	112,163	47,096

## Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Tort Immunity Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Expenditures (continued)</b>			
Other supporting services			
Purchased services	\$ 40,000	\$ 30,768	\$ (9,232)
Total other supporting services	40,000	30,768	(9,232)
Total support services	8,030,477	8,021,368	(9,109)
Community services			
Purchased services	10,000	104,233	94,233
Total community services	10,000	104,233	94,233
Total expenditures	8,904,656	9,018,270	113,614
Net change in fund balances	\$ (2,924,345)	165,245	\$ 3,089,590
<b>Fund Balances, Beginning</b>			<u>5,834,230</u>
<b>Fund Balances, Ending</b>			<u>\$ 5,999,475</u>

# Rockford Public Schools District No. 205

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Fire Prevention and Life Safety Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>			
Local sources			
General levy	\$ 715,956	\$ 747,830	\$ 31,874
Corporate personal property replacement taxes	529,966	529,966	-
Investment income	789,200	1,119,633	330,433
Refund of prior years' expenditures	- 121	121	121
Total local sources	<u>2,035,122</u>	<u>2,397,550</u>	<u>362,428</u>
Total revenues	<u>2,035,122</u>	<u>2,397,550</u>	<u>362,428</u>
<b>Expenditures</b>			
Support services			
Operations and maintenance			
Operation and maintenance of plant services			
Salaries	677,821	561,438	(116,383)
Employee benefits	111,153	89,510	(21,643)
Purchased services	354,555	323,244	(31,311)
Capital outlay	19,620,000	11,579,078	(8,040,922)
Total operation and maintenance of plant services	<u>20,763,529</u>	<u>12,553,270</u>	<u>(8,210,259)</u>
Total operations and maintenance	<u>20,763,529</u>	<u>12,553,270</u>	<u>(8,210,259)</u>
Total support services	<u>20,763,529</u>	<u>12,553,270</u>	<u>(8,210,259)</u>
Other debt service			
Other objects	- 90,000	90,000	(90,000)
Total other debt service	<u>- 90,000</u>	<u>90,000</u>	<u>(90,000)</u>
Total debt service	<u>- 90,000</u>	<u>90,000</u>	<u>(90,000)</u>
Total expenditures	<u>20,763,529</u>	<u>12,643,270</u>	<u>(8,300,259)</u>
Excess (deficiency) of revenues over expenditures	(18,728,407)	(10,245,720)	8,482,687
<b>Other Financing Sources (Uses)</b>			
Principal on bonds sold	- 9,900,000	9,900,000	9,900,000
Total other financing sources (uses)	<u>- 9,900,000</u>	<u>9,900,000</u>	<u>9,900,000</u>
Net change in fund balances	<u>\$ (18,728,407)</u>	<u>(345,720)</u>	<u>\$ 18,382,687</u>
<b>Fund Balances, Beginning</b>			
		<u>19,208,027</u>	
<b>Fund Balances, Ending</b>			
		<u>\$ 18,862,307</u>	

**SUPPLEMENTARY INFORMATION  
CUSTODIAL FUNDS SCHEDULES**

## **CUSTODIAL FUNDS**

Custodial funds are fiduciary funds used to account for assets held by the District in a trustee capacity for individuals, private organizations, and/or other governments.

# Rockford Public Schools District No. 205

Combining Statement of Fiduciary Net Position -

Custodial Funds

June 30, 2025

	<b>Class Funds</b>	<b>UNICEF / Special Olympics</b>	<b>Tax Assessment Account</b>	<b>Total</b>
<b>Assets</b>				
Cash and investments	\$ 71,610	\$ 2,261	\$ 14,306	\$ 88,177
Total assets	71,610	2,261	14,306	88,177
<b>Liabilities</b>				
Total liabilities	-	-	-	-
<b>Net Position</b>				
Unrestricted	71,610	2,261	14,306	88,177
Total net position	\$ 71,610	\$ 2,261	\$ 14,306	\$ 88,177

# Rockford Public Schools District No. 205

Combining Statement of Changes in Fiduciary Net Position -

Custodial Funds

Year Ended June 30, 2025

	Class Funds	UNICEF / Special Olympics	Tax Assessment Account	Total
<b>Additions</b>				
Contributions				
Participant contributions	\$ 39,938	\$ 826	\$ -	\$ 40,764
Intergovernmental contributions	<u>-</u>	<u>-</u>	<u>1,005</u>	<u>1,005</u>
Total additions	<u>39,938</u>	<u>826</u>	<u>1,005</u>	<u>41,769</u>
<b>Deductions</b>				
Distributions to participants	64,616	-	-	64,616
Distributions to other organizations	<u>-</u>	<u>385</u>	<u>-</u>	<u>385</u>
Distributions for assessment intervention	<u>-</u>	<u>-</u>	<u>16,125</u>	<u>16,125</u>
Total deductions	<u>64,616</u>	<u>385</u>	<u>16,125</u>	<u>81,126</u>
Change in fiduciary net position	<u>(24,678)</u>	<u>441</u>	<u>(15,120)</u>	<u>(39,357)</u>
<b>Net Position, Beginning of Year</b>	<u>96,288</u>	<u>1,820</u>	<u>29,426</u>	<u>127,534</u>
<b>Net Position, End of Year</b>	<u>\$ 71,610</u>	<u>\$ 2,261</u>	<u>\$ 14,306</u>	<u>\$ 88,177</u>

# STATISTICAL SECTION

AS OF/FOR THE YEAR  
ENDED JUNE 30, 2025



# Rockford Public Schools District No. 205

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Statistical Section

Table of Contents

June 30, 2025

The information in this section is not covered by the Independent Auditors' Report, but is presented as supplemental data for the benefit of the readers of the annual comprehensive financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to better understand and assess the District's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	100
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	114
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	118
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	123
<b>Operating Information</b> These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the Government provides and the activities it performs.	125

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

## Rockford Public Schools District No. 205

Net Position by Component  
Last Ten Fiscal Years

	2016	2017	2018	2019
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 81,894,316	\$ 91,046,622	\$ 91,811,285	\$ 85,202,016
Restricted	71,435,328	46,344,723	61,542,234	64,616,669
Unrestricted	<u>18,829,646</u>	<u>36,478,122</u>	<u>(218,105,728)</u>	<u>(191,373,759)</u>
Total governmental activities	<u>\$ 172,159,290</u>	<u>\$ 173,869,467</u>	<u>\$ (64,752,209)</u>	<u>\$ (41,555,074)</u>

**Notes:**

Beginning in 2018, the District implemented GASB 75 which resulted in the inclusion of a total OPEB liability.

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<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 83,932,233	\$ 83,299,807	\$ 114,998,666	\$ 194,865,401	\$ 273,783,388	\$ 306,880,616
48,776,368	94,046,786	147,939,512	98,387,859	110,626,801	92,824,289
(138,770,837)	(153,343,491)	(158,877,200)	(52,446,668)	(8,525,854)	5,615,293
<u>\$ (6,062,236)</u>	<u>\$ 24,003,102</u>	<u>\$ 104,060,978</u>	<u>\$ 240,806,592</u>	<u>\$ 375,884,335</u>	<u>\$ 405,320,198</u>

## Rockford Public Schools District No. 205

Expenses, Program Revenues and Net Revenue (Expense)  
Last Ten Fiscal Years

	2016	2017	2018	2019
<b>Expenses</b>				
Governmental activities:				
Instruction				
Regular programs	\$ 137,736,347	\$ 163,221,110	\$ 157,237,023	\$ 108,155,056
Special programs	72,419,900	80,239,675	88,094,181	66,287,820
Other instructional programs	42,642,494	50,983,358	60,282,049	45,539,276
Student activities	-	-	-	-
Support services				
Pupils	33,085,765	37,940,357	39,094,511	23,848,126
Instructional staff	15,773,742	17,112,292	19,166,720	13,307,173
General administration	17,679,056	19,444,613	20,068,241	12,934,277
School administration	22,056,783	22,431,824	23,095,477	17,107,582
Business	22,434,250	21,125,161	23,943,756	18,303,681
Transportation	22,145,696	23,874,934	23,056,949	22,443,744
Operations and maintenance	27,135,148	29,667,557	27,391,264	32,918,517
Central	12,232,108	13,027,485	14,375,801	16,715,855
Other support services	1,061,452	1,312,024	1,304,392	2,661,485
Intergovernmental				
State retirement contributions	-	-	-	113,992,597
Payments to other governments	12,590,587	15,065,675	14,404,875	61,459
Other				
Community services	3,865,342	4,198,812	4,717,919	5,098,660
Interest and charges	8,424,895	8,894,205	8,517,834	8,164,624
Total primary government	<u>\$ 451,283,565</u>	<u>\$ 508,539,082</u>	<u>\$ 524,750,992</u>	<u>\$ 507,539,932</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
Regular programs	\$ 4,106,169	\$ 3,784,237	\$ 5,240,013	\$ 2,396,965
Special programs	1,823,820	1,756,433	1,441,712	1,134,756
Other instructional programs	203,082	161,464	143,522	408,595
Student activities	-	-	-	-
Business	-	-	-	397,164
Transportation	42,001	44,340	39,628	442,333
Operations and maintenance	737,528	607,579	607,892	598,710
Operating grants and contributions	157,928,371	203,623,622	193,104,175	197,350,375
Capital grants and contributions	45,418	51,235	11,505	1,057,916
Total primary government	<u>\$ 164,886,389</u>	<u>\$ 210,028,910</u>	<u>\$ 200,588,447</u>	<u>\$ 203,786,814</u>
<b>Net Revenue (Expense)</b>				
Total primary government net revenue (expense)	<u>\$ (286,397,176)</u>	<u>\$ (298,510,172)</u>	<u>\$ (324,162,545)</u>	<u>\$ (303,753,118)</u>

2020	2021	2022	2023	2024	2025
\$ 115,236,817	\$ 85,250,805	\$ 149,038,026	\$ 115,811,997	\$ 135,449,331	\$ 129,224,802
60,703,228	60,395,704	63,173,048	67,391,377	70,157,174	86,384,677
49,775,509	81,321,604	16,162,669	50,503,493	53,469,552	61,087,738
-	1,017,783	1,830,594	1,838,312	1,711,260	1,751,580
27,859,637	29,174,650	29,597,962	29,945,487	32,307,482	43,732,546
14,555,860	15,227,999	17,896,900	22,112,924	25,115,700	23,526,473
12,978,889	8,781,720	10,122,741	9,611,947	10,682,500	11,929,715
16,499,730	18,219,998	18,285,847	18,898,349	22,746,466	24,376,055
17,498,789	17,414,973	20,728,139	23,181,058	23,694,925	26,025,873
20,141,852	17,467,847	22,264,128	32,266,432	34,712,250	33,467,423
32,969,245	38,883,313	37,131,590	37,238,476	38,744,983	40,104,285
14,891,398	12,919,099	18,384,082	19,172,027	19,738,263	19,256,284
2,567,802	3,237,140	2,134,616	3,207,008	(79,483)	1,357,121
137,278,809	147,819,936	84,334,132	70,946,817	82,763,073	85,692,180
774,715	856,264	927,198	1,428,537	1,403,752	1,115,689
6,221,557	6,675,168	7,093,513	8,506,415	7,865,949	9,062,096
7,742,983	7,442,782	7,158,455	7,919,331	5,875,085	5,719,617
<u>\$ 537,696,820</u>	<u>\$ 552,106,785</u>	<u>\$ 506,263,640</u>	<u>\$ 519,979,987</u>	<u>\$ 566,358,262</u>	<u>\$ 603,814,154</u>
\$ 2,181,481	\$ 1,337,050	\$ 1,614,345	\$ 793,897	\$ 2,002,930	\$ 1,993,230
691,540	1,255,364	1,140,610	1,204,992	1,010,667	1,005,957
530,365	104,870	96,238	87,361	44,201	47,175
-	803,155	1,700,474	1,922,988	1,645,653	1,694,076
50,346	7,461	89,696	41,486	123,052	142,385
693,620	216,635	557,111	690,495	434,857	577,430
861,657	58,597	46,472	53,789	38,889	83,985
227,080,628	232,812,534	194,058,219	234,295,094	285,880,358	223,443,899
1,061,993	1,065,300	1,112,155	1,062,155	1,104,655	1,062,155
<u>\$ 233,151,630</u>	<u>\$ 237,660,966</u>	<u>\$ 200,415,320</u>	<u>\$ 240,152,257</u>	<u>\$ 292,285,262</u>	<u>\$ 230,050,292</u>
<u>\$ (304,545,190)</u>	<u>\$ (314,445,819)</u>	<u>\$ (305,848,320)</u>	<u>\$ (279,827,730)</u>	<u>\$ (274,073,000)</u>	<u>\$ (373,763,862)</u>

**Rockford Public Schools District No. 205**

General Revenues and Total Changes in Net Position  
Last Ten Fiscal Years

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Net Revenue (Expense)</b>				
Total primary government net revenue (expense)	<u>\$ (286,397,176)</u>	<u>\$ (298,510,172)</u>	<u>\$ (324,162,545)</u>	<u>\$ (303,753,118)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes				
Property taxes, general and specific purposes	\$ 141,406,671	\$ 140,520,578	\$ 140,263,517	\$ 140,382,660
Property taxes, debt service	13,388,878	13,067,090	13,088,692	13,232,818
Intergovernmental				
Corporate personal property replacement taxes	19,141,723	26,039,815	21,503,898	22,055,126
State aid formula grants	109,373,106	115,810,724	134,872,091	143,862,105
Investment earnings	1,021,857	665,850	1,837,628	4,969,105
Other	1,879,315	4,438,991	5,243,469	2,448,439
Gain on sale of capital assets	<u>162,752</u>	<u>-</u>	<u>294,000</u>	<u>-</u>
Total primary government	<u>\$ 286,374,302</u>	<u>\$ 300,543,048</u>	<u>\$ 317,103,295</u>	<u>\$ 326,950,253</u>
<b>Change in Net Position</b>				
Total primary government net expense	<u>\$ (22,874)</u>	<u>\$ 2,032,876</u>	<u>\$ (7,059,250)</u>	<u>\$ 23,197,135</u>

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<u>\$ (304,545,190)</u>	<u>\$ (314,445,819)</u>	<u>\$ (305,848,320)</u>	<u>\$ (279,827,730)</u>	<u>\$ (274,073,000)</u>	<u>\$ (373,763,862)</u>
\$ 140,262,709 13,353,027	\$ 140,828,097 13,507,607	\$ 141,631,451 13,784,088	\$ 142,393,071 14,170,442	\$ 142,246,205 14,597,415	\$ 145,467,581 14,948,759
24,142,251 155,544,153	30,621,972 155,543,515	66,747,957 169,836,705	75,444,837 177,016,876	49,693,602 179,939,062	32,951,313 190,156,655
4,021,870 2,714,018	1,011,336 1,193,798	(8,212,404) 2,118,399	4,883,478 2,664,640	17,427,773 5,246,686	18,235,158 1,440,259
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 340,038,028</u>	<u>\$ 342,706,325</u>	<u>\$ 385,906,196</u>	<u>\$ 416,573,344</u>	<u>\$ 409,150,743</u>	<u>\$ 403,199,725</u>
<u>\$ 35,492,838</u>	<u>\$ 28,260,506</u>	<u>\$ 80,057,876</u>	<u>\$ 136,745,614</u>	<u>\$ 135,077,743</u>	<u>\$ 29,435,863</u>

# Rockford Public Schools District No. 205

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	2016	2017	2018	2019
<b>General Fund</b>				
Nonspendable	\$ 45,567	\$ 1,251,072	\$ 583,799	\$ 446,894
Restricted	-	-	-	5,911,288
Assigned	31,715,848	32,645,445	33,743,410	-
Unassigned	<u>58,628,669</u>	<u>59,717,115</u>	<u>71,303,630</u>	<u>110,789,604</u>
Total general fund	<u>\$ 90,390,084</u>	<u>\$ 93,613,632</u>	<u>\$ 105,630,839</u>	<u>\$ 117,147,786</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ 128,610
Restricted for:				
Debt service	2,138,318	3,969,117	6,489,666	6,734,908
Capital projects funds	105,759,618	70,303,886	31,115,156	11,856,756
Tort immunity	10,630,217	11,054,992	10,929,510	10,571,448
Special revenue funds	12,504,077	20,770,924	16,539,235	27,553,254
Operations and maintenance	-	-	3,733,022	5,299,824
Assigned for:				
Capital projects funds	-	-	-	-
Unassigned for:				
Special revenue funds	<u>(2,256,716)</u>	<u>(4,498,585)</u>	<u>-</u>	<u>(2,025,252)</u>
Total all other governmental funds	<u>\$ 128,775,514</u>	<u>\$ 101,600,334</u>	<u>\$ 68,806,589</u>	<u>\$ 60,119,548</u>
Total all governmental funds	<u>\$ 219,165,598</u>	<u>\$ 195,213,966</u>	<u>\$ 174,437,428</u>	<u>\$ 177,267,334</u>

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 378,905	\$ 209,139	\$ 3,001,689	\$ 2,128,626	\$ 2,513,731	\$ 1,806,048
6,760,318	6,297,977	9,365,097	10,936,649	12,212,583	13,114,442
-	1,590,204	1,460,084	1,544,760	1,479,153	1,421,649
<u>149,266,998</u>	<u>153,797,388</u>	<u>155,827,366</u>	<u>169,788,768</u>	<u>175,438,423</u>	<u>174,608,142</u>
<u><b>\$ 156,406,221</b></u>	<u><b>\$ 161,894,708</b></u>	<u><b>\$ 169,654,236</b></u>	<u><b>\$ 184,398,803</b></u>	<u><b>\$ 191,643,890</b></u>	<u><b>\$ 190,950,281</b></u>
\$ 90,927	\$ 354,829	\$ 346,423	\$ 324,954	\$ 146,035	\$ 97,044
10,650,195	13,273,055	29,761,890	30,062,257	31,405,456	32,644,235
19,766,648	29,401,577	26,254,034	25,760,807	32,829,761	7,772,582
5,080,093	2,912,581	3,521,930	3,139,163	5,688,195	5,949,475
7,699,741	19,467,395	20,304,060	21,090,002	18,183,737	20,721,612
1,855,065	52,189	10,761,262	7,074,027	10,161,034	13,878,060
2,290,823	2,389,833	11,205,414	20,013,880	19,208,027	17,481,687
-	-	-	-	-	-
<u>\$ 47,433,492</u>	<u>\$ 67,851,459</u>	<u>\$ 102,155,013</u>	<u>\$ 107,465,090</u>	<u>\$ 117,622,245</u>	<u>\$ 98,544,695</u>
<u>\$ 203,839,713</u>	<u>\$ 229,746,167</u>	<u>\$ 271,809,249</u>	<u>\$ 291,863,893</u>	<u>\$ 309,266,135</u>	<u>\$ 289,494,976</u>

## Rockford Public Schools District No. 205

Governmental Funds Revenue

Last Ten Fiscal Years

	2016	2017	2018	2019
<b>Local Sources</b>				
Property taxes	\$ 154,795,549	\$ 153,587,669	\$ 153,352,209	\$ 153,615,478
Corporate personal property replacement taxes	19,141,723	26,039,815	21,503,898	22,055,126
Payments of surplus monies from TIF districts	10,976	13,061	15,831	18,390
Student activities	-	-	-	-
Investment income	1,021,857	665,850	1,837,628	4,900,560
Refund of prior year's expenditures	29,175	566,637	1,453,160	809,230
Other	7,907,506	7,377,454	6,471,783	5,670,847
Total local sources	<u>182,906,786</u>	<u>188,250,486</u>	<u>184,634,509</u>	<u>187,069,631</u>
<b>State Sources</b>				
Unrestricted state aid	105,966,287	115,810,724	134,872,091	143,862,105
Restricted state aid	113,633,519	159,682,235	151,284,462	106,859,484
Total state sources	<u>219,599,806</u>	<u>275,492,959</u>	<u>286,156,553</u>	<u>250,721,589</u>
<b>Federal Sources</b>				
Restricted federal aid	<u>43,360,559</u>	<u>45,645,250</u>	<u>49,592,666</u>	<u>51,376,305</u>
Total federal sources	<u>43,360,559</u>	<u>45,645,250</u>	<u>49,592,666</u>	<u>51,376,305</u>
Total revenues	<u>\$ 445,867,151</u>	<u>\$ 509,388,695</u>	<u>\$ 520,383,728</u>	<u>\$ 489,167,525</u>

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 153,615,736	\$ 154,335,704	\$ 155,415,539	\$ 156,563,513	\$ 156,843,620	\$ 160,416,340
24,142,251	30,621,972	66,747,957	75,444,837	49,693,602	32,951,313
20,587	24,599	81,301	-	56,694	75,827
-	803,155	1,700,474	1,922,988	1,645,653	1,694,076
3,855,628	972,045	(8,196,895)	4,630,829	16,715,483	17,565,024
542,801	291,821	167,348	205,658	153,170	750,367
<u>5,703,867</u>	<u>3,114,976</u>	<u>3,741,073</u>	<u>3,119,190</u>	<u>6,197,161</u>	<u>3,994,346</u>
<u>187,880,870</u>	<u>190,164,272</u>	<u>219,656,797</u>	<u>241,887,015</u>	<u>231,305,383</u>	<u>217,447,293</u>
155,544,153	155,544,153	169,836,705	177,016,876	179,939,062	190,156,655
110,588,862	111,719,807	122,657,434	127,465,070	129,704,186	134,750,839
<u>266,133,015</u>	<u>267,263,960</u>	<u>292,494,139</u>	<u>304,481,946</u>	<u>309,643,248</u>	<u>324,907,494</u>
56,066,359	53,322,648	77,160,277	127,757,304	167,195,020	101,227,113
<u>56,066,359</u>	<u>53,322,648</u>	<u>77,160,277</u>	<u>127,757,304</u>	<u>167,195,020</u>	<u>101,227,113</u>
<u>\$ 510,080,244</u>	<u>\$ 510,750,880</u>	<u>\$ 589,311,213</u>	<u>\$ 674,126,265</u>	<u>\$ 708,143,651</u>	<u>\$ 643,581,900</u>

# Rockford Public Schools District No. 205

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

	2016	2017	2018	2019
<b>Instruction</b>				
Regular programs	\$ 134,420,336	\$ 158,311,962	\$ 145,180,584	\$ 106,979,063
Special programs	70,880,440	76,857,390	81,906,136	57,053,408
Other instructional programs	41,771,652	49,157,601	54,844,492	45,836,240
Student activities	—	—	—	—
Total instruction	<u>247,072,428</u>	<u>284,326,953</u>	<u>281,931,212</u>	<u>209,868,711</u>
<b>Supporting Services</b>				
Pupils	30,488,982	35,669,954	37,310,960	24,251,778
Instructional staff	14,601,409	16,090,976	18,275,423	13,984,278
General administration	18,348,750	18,329,450	18,991,568	14,596,523
School administration	19,997,772	20,835,660	21,857,967	16,506,778
Business	22,301,643	23,474,997	22,392,072	16,730,500
Transportation	19,224,321	20,858,445	22,593,628	22,735,477
Operations and maintenance	28,508,797	28,737,023	25,274,351	30,605,696
Central	11,481,054	10,850,355	11,776,510	15,139,776
Other	1,017,064	1,114,402	1,134,275	2,523,376
Total supporting services	<u>165,969,792</u>	<u>175,961,262</u>	<u>179,606,754</u>	<u>157,074,182</u>
<b>Intergovernmental</b>				
Payments to other governments	12,590,587	15,065,675	14,404,875	4,799,667
State retirement contribution	—	—	—	70,372,872
Total intergovernmental	<u>12,590,587</u>	<u>15,065,675</u>	<u>14,404,875</u>	<u>75,172,539</u>
<b>Community Services</b>				
	<u>3,535,858</u>	<u>3,888,264</u>	<u>4,466,006</u>	<u>4,868,768</u>
<b>Capital Outlay</b>				
	<u>47,791,572</u>	<u>38,880,545</u>	<u>46,729,956</u>	<u>25,047,950</u>
<b>Debt Service</b>				
Principal	9,190,000	9,290,000	8,865,000	8,995,000
Interest and charges	4,360,527	5,604,929	5,450,483	5,450,483
Total debt service	<u>13,550,527</u>	<u>14,894,929</u>	<u>14,315,483</u>	<u>14,445,483</u>
Total expenditures	<u>\$ 490,510,764</u>	<u>\$ 533,017,628</u>	<u>\$ 541,454,286</u>	<u>\$ 486,477,633</u>
Debt service as a percentage of noncapital expenditures	3.06%	3.01%	2.89%	3.13%

Note 1: State retirement contributions were allocated to functions beginning in fiscal year 2015 due to the implementation of GASB Statement No. 68.

Note 2: Due to the implementation of GASB Statement No. 84, student activities are included in governmental funds beginning in fiscal year 2021.

2020	2021	2022	2023	2024	2025
\$ 112,479,656	\$ 114,446,651	\$ 116,448,077	\$ 127,754,373	\$137,738,284	\$ 125,869,953
57,070,284	54,202,938	59,745,813	66,649,438	70,977,572	78,873,739
48,901,064	45,667,274	51,585,610	55,268,476	58,499,611	57,629,360
-	1,017,783	1,830,594	1,838,312	1,711,260	1,751,580
<u>218,451,004</u>	<u>215,334,646</u>	<u>229,610,094</u>	<u>251,510,599</u>	<u>268,926,727</u>	<u>264,124,632</u>
26,448,668	27,189,034	30,025,961	32,416,805	34,801,454	40,942,193
13,710,831	14,285,405	16,678,461	21,533,347	25,245,299	24,383,872
12,855,387	9,112,152	10,372,605	10,454,315	11,176,528	11,103,746
16,669,317	17,035,639	18,502,640	20,385,693	22,926,040	23,138,564
15,700,154	16,521,508	19,683,960	20,546,416	21,599,985	22,878,208
20,144,366	17,860,066	39,995,592	31,858,236	35,300,602	31,618,067
31,142,989	36,643,129	24,197,248	37,870,041	40,236,019	37,373,874
14,622,160	12,840,980	18,310,205	17,494,126	19,885,562	16,692,115
2,510,058	2,904,599	2,677,780	2,902,784	1,214,193	1,006,545
<u>153,803,930</u>	<u>154,392,512</u>	<u>180,444,452</u>	<u>195,461,763</u>	<u>212,385,682</u>	<u>209,137,184</u>
4,081,140	4,709,740	4,489,221	5,097,732	4,583,738	3,792,149
75,883,103	78,612,673	88,279,749	90,800,376	93,802,416	96,424,162
<u>79,964,243</u>	<u>83,322,413</u>	<u>92,768,970</u>	<u>95,898,108</u>	<u>98,386,154</u>	<u>100,216,311</u>
<u>6,202,150</u>	<u>6,776,576</u>	<u>7,770,554</u>	<u>8,415,257</u>	<u>8,346,568</u>	<u>8,211,159</u>
<u>10,517,998</u>	<u>12,227,057</u>	<u>21,674,403</u>	<u>87,613,478</u>	<u>86,988,589</u>	<u>75,640,181</u>
9,130,000	9,265,000	9,535,000	9,815,000	10,095,000	10,385,000
5,450,483	5,450,483	5,450,483	6,151,431	5,658,158	5,745,133
<u>14,580,483</u>	<u>14,715,483</u>	<u>14,985,483</u>	<u>15,966,431</u>	<u>15,753,158</u>	<u>16,130,133</u>
<u>\$ 483,519,808</u>	<u>\$ 486,768,687</u>	<u>\$ 547,253,956</u>	<u>\$ 654,865,636</u>	<u>\$ 690,786,878</u>	<u>\$ 673,459,600</u>
3.08%	3.10%	2.87%	2.83%	2.62%	2.70%

**Rockford Public Schools District No. 205**

Governmental Funds Other Financing Sources and Uses and Net Changes in Fund Balances  
Last Ten Fiscal Years

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ (44,643,613)	\$ (23,628,933)	\$ (21,070,558)	\$ 2,689,892
<b>Other Financing Sources (Uses)</b>				
Issuance of general obligation bonds	29,085,000	-	-	-
Premium on bonds	-	-	-	-
Other uses not classified elsewhere	-	-	-	-
Transfers in	10,318,723	-	-	5,000,000
Transfers out	(10,318,723)	-	-	(5,000,000)
Proceeds from sale of capital assets	177,329	-	294,000	140,034
Total other financing sources (uses)	<u>29,262,329</u>	<u>-</u>	<u>294,000</u>	<u>140,034</u>
Net change in fund balances	<u>\$ (15,381,284)</u>	<u>\$ (23,628,933)</u>	<u>\$ (20,776,558)</u>	<u>\$ 2,829,926</u>

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<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 26,560,436	\$ 23,982,193	\$ 42,057,257	\$ 19,260,629	\$ 17,356,773	\$ (29,877,700)
-	-	-	59,330,000	-	9,900,000
-	-	-	8,856,791	-	-
-	-	-	(67,489,343)	-	-
39,327,000	926,778	-	-	-	-
(39,327,000)	(926,778)	-	-	-	-
<u>11,943</u>	<u>119,429</u>	<u>5,825</u>	<u>96,567</u>	<u>45,469</u>	<u>206,541</u>
<u>11,943</u>	<u>119,429</u>	<u>5,825</u>	<u>794,015</u>	<u>45,469</u>	<u>10,106,541</u>
<u>\$ 26,572,379</u>	<u>\$ 24,101,622</u>	<u>\$ 42,063,082</u>	<u>\$ 20,054,644</u>	<u>\$ 17,402,242</u>	<u>\$ (19,771,159)</u>

## Rockford Public Schools District No. 205

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Mineral Property	Agricultural Property	Railroad Property	Total Taxable Equalized Assessed Value	Percent Change	Total Direct Tax Rate	Estimated Actual Taxable Value
2024	\$ 2,455,645,515	\$ 737,697,674	\$ 238,153,243	\$ 959,926	\$ 28,421,969	\$ 8,539,065	\$ 3,469,417,392	13.64%	4.809	\$ 10,408,252,176
2023	2,144,942,465	659,390,129	214,832,648	271,527	25,412,734	8,116,287	3,052,965,790	11.69%	5.1950	9,158,897,370
2022	1,893,800,248	610,581,337	198,058,191	103,239	23,205,133	7,700,152	2,733,448,300	9.07%	5.763	8,200,344,900
2021	1,720,947,642	569,443,594	187,024,590	-	21,405,833	7,424,607	2,506,246,266	5.84%	6.265	7,518,738,798
2020	1,618,101,904	543,082,001	180,063,115	-	19,883,551	6,927,695	2,368,058,266	5.35%	6.586	7,104,174,798
2019	1,531,951,448	520,416,613	170,667,898	-	18,567,070	6,288,184	2,247,891,213	6.72%	6.893	6,743,673,639
2018	1,440,327,944	478,338,028	164,618,739	-	17,285,185	5,870,785	2,106,440,681	4.16%	7.351	6,319,322,043
2017	1,382,572,093	459,052,287	159,022,383	-	16,170,610	5,479,111	2,022,296,484	2.10%	7.650	6,066,889,452
2016	1,351,100,030	452,797,601	155,465,368	-	15,482,548	5,905,307	1,980,750,854	1.02%	7.803	5,942,252,562
2015	1,344,370,098	441,846,556	154,355,773	-	15,070,648	5,136,977	1,960,780,052	-2.75%	7.938	5,882,340,156

**Note:** The county assesses property at approximately 33.3% of actual value. Estimated actual taxable value is calculated by dividing taxable value by percentage. Tax rates are per \$100 of assessed value.

**Source:** Winnebago County & Boone County Clerk's Department of Tax Extensions

## Rockford Public Schools District No. 205

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

Tax Levy Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>District Direct Rates</b>										
Educational	4.0000	4.0000	3.9383	3.7810	3.6679	3.3556	3.6969	3.0428	2.6706	2.3607
Tort immunity	0.3042	0.3012	0.2951	0.2834	0.1766	0.2002	0.1099	0.3478	0.2140	0.1557
Operations and maintenance	0.7500	0.7500	0.7269	0.6979	0.7500	0.7121	0.6746	0.6808	0.6226	0.7062
Transportation	0.9383	0.8180	0.8012	0.7692	0.4984	0.6234	0.1916	0.3221	0.3710	0.3459
Municipal retirement/social security	0.3224	0.3193	0.3129	0.3005	0.3929	0.3750	0.3015	0.2034	0.2482	0.2271
Working cash	0.0500	0.0495	0.0485	0.0466	0.0437	0.0417	0.0396	0.0009	0.0009	0.0009
Special education	0.8000	0.8000	0.7714	0.7406	0.6940	0.6622	0.6274	0.5753	0.5164	0.4756
Building safety	0.1000	0.0990	0.0965	0.0927	0.0647	0.0301	0.0286	0.0263	0.0237	0.0224
Bond and interest	0.6730	0.6661	0.6588	0.6389	0.6047	0.5854	0.5643	0.5351	0.4887	0.4880
Revenue Recapture Adj	—	—	—	—	—	—	0.0302	0.0280	0.0393	0.0265
Total direct	7.9379	7.8031	7.6496	7.3508	6.8929	6.5857	6.2646	5.7625	5.1954	4.8090
<b>Overlapping Rates</b>										
Rockford School District Number 205	7.9379	7.8031	7.6496	7.3508	6.8929	6.5857	6.2646	5.7625	5.1954	4.7899
Winnebago County	1.0984	1.0826	1.0587	1.0173	0.9661	0.9436	0.9032	0.8373	0.7587	0.6730
Winnebago County Forest Preserve District	0.1203	0.1207	0.1182	0.1147	0.1107	0.1073	0.1041	0.0993	0.0913	0.0835
Rockford Township	0.1452	0.1455	0.1446	0.1385	0.1298	0.1233	0.1173	0.1072	0.0963	0.0848
City of Rockford	3.3595	3.3207	3.2517	3.1194	2.9185	2.7943	2.6361	2.4575	2.1972	1.9303
Rockford Park District	1.1629	1.1544	1.1371	1.0963	1.0334	1.0042	0.9739	0.9401	0.8914	0.8132
Four Rivers Sanitation Authority	0.2075	0.2082	0.2040	0.1964	0.1848	0.1795	0.0396	0.1593	0.1425	0.1253
Rockford Library District	0.5196	0.5190	0.5091	0.4890	0.4564	0.4343	0.4103	0.3760	0.3528	0.3230
Greater Rockford Airport Authority	0.1073	0.1103	0.1102	0.1073	0.1011	0.0987	0.0955	0.0926	0.0877	0.0803
Community College District Number 511	0.4893	0.4927	0.5053	0.4987	0.4703	0.4615	0.4564	0.4762	0.4593	0.4719
Rockford Township Road	0.1484	0.1487	0.1478	0.1416	0.1327	0.1260	0.1218	0.1173	0.1108	0.1012
Total direct and overlapping rate	15.2963	15.1059	14.8363	14.2700	13.3967	12.8584	12.1228	11.4253	10.3834	9.4764

**Source:** Winnebago County Clerk & Boone County Clerk's Offices

## Rockford Public Schools District No. 205

Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2025			2016		
	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Lowes Home Centers, Inc.	\$ 18,313,446	0.53%	1	\$ 11,297,754	0.58%	1
Woodward Inc.	11,621,055	0.33%	2	7,650,394	0.39%	4
Forest Plaza LLC	11,532,807	0.33%	3	6,637,698	0.34%	6
Swedish American Hospital	10,306,431	0.30%	4			
Wesley Willows Corp	10,013,280	0.29%	5			
NM PCI LP	9,653,419	0.28%	6			
CBL Cherryvale	9,469,606	0.27%	7	8,313,985	0.42%	3
GLP Capital LP	9,314,371	0.27%	8			
Meijer Stores Ltd. Partnership	7,735,693	0.22%	9	6,767,405	0.35%	5
National Retail Properties LP	<u>7,439,816</u>	0.21%	10			
Greater Rockford Airport Authority				5,970,284	0.30%	7
Petry Family Trust				5,803,887	0.30%	8
Beloit Memorial Hospital, Inc.				10,852,054	0.55%	2
Greater Rockford Airport				4,750,238	0.24%	10
Lubrizol Holding Inc.				<u>5,542,926</u>	0.28%	9
Total	<u>\$ 105,399,924</u>			<u>\$ 73,586,625</u>		
<b>EAV</b>	<u>\$ 3,469,417,392</u>			<u>\$ 1,960,780,052</u>		

Source: Winnebago County Clerk's and Assessor's Offices

## Rockford Public Schools District No. 205

### Property Tax Levies and Collections

Last Ten Tax Years

Tax Levy Year	Amount Extended for the Levy Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	Total Percentage of Levy
		Amount	Percentage			
2024	\$ 166,181,086	\$ 89,103,856	53.62%	\$ -	\$ 89,103,856	53.62%
2023	158,613,785	84,337,519	53.17%	73,290,990	157,628,509	99.38%
2022	157,514,958	83,298,919	52.88%	73,020,409	156,319,328	99.24%
2021	157,004,933	84,504,279	53.82%	72,106,304	156,610,583	99.75%
2020	155,953,213	83,676,945	53.66%	71,384,570	155,061,515	99.43%
2019	154,944,893	66,960,195	43.22%	87,042,410	154,002,605	99.39%
2018	154,840,241	24,238,178	15.65%	129,393,292	153,631,470	99.22%
2017	154,697,592	83,033,338	53.67%	70,763,386	153,796,724	99.42%
2016	154,559,970	81,652,607	52.83%	71,263,007	152,915,614	98.94%
2015	155,644,760	80,879,886	51.96%	72,799,466	153,679,352	98.74%

**Source:** Winnebago County Clerk's Office

## Rockford Public Schools District No. 205

### Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Total General Bonded Debt	Capital Appreciation Bonds	Total Primary Government	*Percentage Estimated Actual Taxable Value	**Percentage Personal Income	**Per Capita
2025	\$ 148,755,536	\$ 13,769,436	\$ 162,524,972	1.76%	4.10%	1,245
2024	139,844,097	23,322,382	163,166,479	2.00%	4.30%	1,256
2023	140,832,658	32,214,093	173,046,751	2.34%	4.82%	1,310
2022	139,981,590	40,498,925	180,480,515	2.63%	5.06%	1,341
2021	140,084,472	48,223,070	188,307,542	2.87%	5.38%	1,373
2020	140,187,355	55,392,887	195,580,242	3.21%	6.02%	1,487
2019	140,290,238	62,127,504	202,417,742	3.50%	6.48%	1,508
2018	140,393,121	68,305,480	208,698,601	3.70%	6.75%	1,527
2017	140,496,004	74,000,246	214,496,250	3.90%	7.31%	1,569
2016	142,497,449	77,909,852	220,407,301	4.12%	7.38%	1,634

Note: This schedule includes all debt financed with general governmental resources for which there is an established repayment schedule, including unamortized bond premiums. Other long-term liabilities such as retirement obligations and estimated liabilities like compensated absences and claims incurred but not reported (IBNR) are not included.

\* See the Schedule of Assessed Value and Estimated Actual Value of taxable Property for property value data.

\*\* See the Schedule of Demographic and Economic Information for personal income and population data.

**Source:** District's Audited Annual Financial Statements

## Rockford Public Schools District No. 205

Ratios of General Obligation Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt	Less: Amount Available for Debt Service	Net General Bonded Debt	*Percentage Estimated Actual Taxable Value	**Per Capita
2025	\$ 162,524,972	\$ 32,644,235	\$ 129,880,737	1.25%	881
2024	163,166,479	31,405,456	131,761,023	1.44%	902
2023	173,046,751	30,062,257	142,984,494	1.74%	975
2022	180,480,515	29,761,890	150,718,625	2.00%	1,020
2021	188,307,542	13,273,055	175,034,487	2.46%	1,177
2020	195,580,242	10,650,195	184,930,047	2.74%	1,270
2019	202,417,742	6,734,908	195,682,834	3.10%	1,335
2018	208,698,601	6,489,666	202,208,935	3.33%	1,375
2017	214,496,250	3,969,117	210,527,133	3.54%	1,426
2016	220,407,301	2,138,318	218,268,983	3.71%	1,472

\* See the Schedule of Assessed Value and Estimated Actual Value of taxable Property for property value data.

\*\* See the Schedule of Demographic and Economic Information for personal income and population data.

**Source:** District's Audited Annual Financial Statements

## Rockford Public Schools District No. 205

Computation of Direct and Overlapping Governmental Activities Debt  
June 30, 2025

	<u>Debt Outstanding</u>	<u>See Note Below</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Overlapping Districts				
Winnebago County	\$ 62,765,000	(1)	56.52%	\$ 35,474,778
Winnebago County Forest Preserve	2,992,930	(2)	56.52%	1,691,604
Greater Rockford Airport Authority	55,850,130	(1)	76.19%	42,552,214
Village of Cherry Valley	4,595,000	(1)	100.00%	4,595,000
City of Loves Park (and SSA)	2,988,150	(1)	35.11%	1,049,139
City of Rockford	77,200,000	(1)(3)	98.46%	76,011,120
Village of Roscoe	1,670,000		1.80%	30,060
Four Rivers Sanitation Authority	13,390,000		72.12%	9,656,868
Rockford Park District	44,023,500	(1)	86.81%	38,216,800
Northwest Fire	240,000		96.50%	231,600
North Park Fire	4,905,000		24.23%	1,188,482
Cherry Valley Fire	1,400,000		99.83%	1,397,620
Community College District No. 511	<u>37,425,000</u>	<u>(2)</u>	<u>69.70%</u>	<u>26,085,225</u>
Total overlapping debt	<u>309,444,710</u>			<u>238,180,510</u>
District direct debt	<u>162,524,972</u>		<u>100.00%</u>	<u>162,524,972</u>
Total Direct Debt and Overlapping Debt	<u>\$ 471,969,682</u>			<u>\$ 400,705,482</u>

**Notes:**

(1) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

(2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

(3) Excludes self-supporting bonds for which an abatement is filed annually.

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the District's taxable assessed value that is within the government's boundaries and dividing it by the District's total taxable assessed value.

**Source:** Winnebago County Clerk's Office

## Rockford Public Schools District No. 205

Legal Debt Margin Information  
Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Debt limit	\$ 270,587,647	\$ 273,343,618	\$ 279,076,915	\$ 290,688,814	\$ 310,208,987
Total net debt applicable to limit	<u>167,683,105</u>	<u>166,533,968</u>	<u>162,203,351</u>	<u>182,291,333</u>	<u>173,161,333</u>
Legal debt margin	<u>\$ 102,904,542</u>	<u>\$ 106,809,650</u>	<u>\$ 116,873,564</u>	<u>\$ 108,397,481</u>	<u>\$ 137,047,654</u>
Total net debt applicable to the limit as a percentage of debt limit	61.97%	60.92%	58.12%	62.71%	55.82%

	2021	2022	2023	2024	2025
Debt limit	\$ 326,792,041	\$ 345,858,965	\$ 377,215,865	\$ 421,309,279	\$ 478,779,600
Total net debt applicable to limit	<u>171,243,049</u>	<u>161,708,049</u>	<u>144,433,049</u>	<u>134,338,048</u>	<u>133,853,048</u>
Legal debt margin	<u>\$ 155,548,992</u>	<u>\$ 184,150,916</u>	<u>\$ 232,782,816</u>	<u>\$ 286,971,231</u>	<u>\$ 344,926,552</u>
Total net debt applicable to the limit as a percentage of debt limit	52.40%	46.76%	38.29%	31.89%	27.96%

**Short-Term Borrowing:** The District has no tax anticipation notes or warrants outstanding.

**Debt Payment History:** The District has no record of default and has met its debt repayment obligations promptly.

### Legal Debt Margin Calculation for Fiscal Year 2025:

Equalized assessed value	\$ 3,469,417,392
Debt limit percentage	13.80%
Debt limit	478,779,600
Debt applicable to limit:	
General obligation bonds	<u>133,853,048</u>
Legal debt margin	<u>\$ 344,926,552</u>

## Rockford Public Schools District No. 205

Pledged Revenue Coverage - Alternate Revenue Source - Qualified School Construction Bonds  
Last Ten Fiscal Years

Fiscal Year	Pledged Revenue	Funds Available	Allowable Funding Sources		Total Debt Service	Coverage Ratio
			GO Bonds (Alternate Revenue Source - Qualified School Construction)	Series 2016 Principal Interest		
2025	Corporate personal property replacement tax	\$ 32,951,313	\$ -	\$ 1,126,358	\$ 1,126,358	3.42%
2024	Corporate personal property replacement tax	49,693,602	-	1,126,358	1,126,358	2.27%
2023	Corporate personal property replacement tax	75,444,837	-	1,126,358	1,126,358	1.49%
2022	Corporate personal property replacement tax	66,747,957	-	1,126,358	1,126,358	1.69%
2021	Corporate personal property replacement tax	30,621,972	-	1,126,358	1,126,358	3.68%
2020	Corporate personal property replacement tax	24,142,251	-	1,126,358	1,126,358	4.67%
2019	Corporate personal property replacement tax	22,055,126	-	1,126,358	1,126,358	5.11%
2018	Corporate personal property replacement tax	21,503,898	-	1,126,358	1,126,358	5.24%
2017	Corporate personal property replacement tax	26,039,815	-	1,126,358	1,126,358	4.33%
2016	Corporate personal property replacement tax	19,141,723	-	-	-	0.00%

Note: Details of the District's outstanding debt can be found in the notes to the financial statements.

## Rockford Public Schools District No. 205

Demographic and Economic Information

Last Ten Calendar Years

Calendar Year	Estimated Population	Personal Income	Per Capital Personal Income	Unemployment Rate*	
				Winnebago County	Boone County
2024	147,486	\$ 4,484,901,774	\$ 30,409	4.5%	4.3%
2023	146,120	4,264,804,440	29,187	6.1%	6.7%
2022	146,713	3,988,539,618	27,186	6.2%	6.8%
2021	147,711	3,914,341,500	26,500	6.6%	6.5%
2020	148,655	3,793,229,635	25,517	9.5%	9.6%
2019	145,609	3,598,435,217	24,713	16.1%	15.5%
2018	146,526	3,413,616,222	23,297	5.3%	4.8%
2017	147,051	3,324,529,008	22,608	5.0%	4.9%
2016	147,651	3,169,771,668	21,468	5.7%	5.3%
2015	148,278	3,283,023,198	22,141	6.4%	5.8%

**Source:** U.S. Census Bureau/QuickFacts\_7/1/23; Illinois Depart. Of Employment Security\_6/2024

\*COVID-19 pandemic struck and unemployment rates increased significantly beginning in March 2020.

## Rockford Public Schools District No. 205

Principal Employers  
Current Year and Nine Years Ago

Employer	2025			2016		
	Number of Employees (1)-(2)	Rank	Percentage of Total	Number of Employees (2)	Rank	Percentage of Total
UW Health Systems (formerly SwedishAmerican)	4,240	1	17.07%	2,988	4	11.98%
Rockford School District	3,906	2	15.72%	3,525	2	14.14%
Mercyhealth/Rockford Health Systems	3,000	3	12.07%	3,000	3	12.03%
PCI Pharma Services (formerly Packaging Coordinators, Inc.)	2,600	4	10.46%	1,500	9	6.02%
United Parcel Service	2,500	5	10.06%	-	-	-
OSF Healthcare	2,200	6	8.85%	2,800	5	11.23%
Collins Aerospace Systems (formerly Hamilton Sundstrand)	2,000	7	8.05%	2,200	6	8.82%
Woodward	1,500	8	6.04%	1,540	8	6.18%
Wal-Mart Stores	1,470	9	5.92%	1,611	7	6.46%
Winnebago County	1,429	10	5.75%	1,449	10	5.81%
Stellantis (formerly Fiat Chrysler)	-			4,323	1	17.34%
Total employment	<u>24,845</u>		100.00%	<u>24,936</u>		100.00%

**Sources:**

(1) Based on 2025 selected Employee Survey.  
(2) Based on 2016 Rockford Area Economic Development Council

## Rockford Public Schools District No. 205

Full-Time Equivalent District Employees by Type

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Certified administration	154	160	164	156	157	164	163	169	169	165
Noncertified administration	13	19	25	28	33	37	42	38	34	35
Certified support	305	311	297	277	304	306	331	350	358	368
Certified teacher	1,759	1,740	1,727	1,745	1,787	1,807	1,841	1,729	1,988	1,899
Noncertified support	189	191	103	122	115	132	125	157	180	187
Clerical	138	137	137	142	144	142	142	154	143	138
Paraprofessional	516	515	425	430	411	386	403	408	428	415
Hourly support	61	93	177	187	228	257	279	307	291	344
Trades	89	95	92	96	90	91	90	92	92	90
Food service	115	126	130	103	103	104	107	108	117	119
Bus driver	199	188	187	178	185	162	179	177	159	145
<b>Total</b>	<b>3,538</b>	<b>3,575</b>	<b>3,464</b>	<b>3,464</b>	<b>3,557</b>	<b>3,588</b>	<b>3,702</b>	<b>3,689</b>	<b>3,959</b>	<b>3,905</b>

**Source:**

District personnel records

Note: Totals are actual FTE's, does not include budgeted vacancies

**Rockford Public Schools District No. 205**

Operating Statistics  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures</b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Total Expenses</b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>
2025	28,809	\$ 566,730,249	\$ 19,671.99	-1.70%	\$ 603,814,154	\$ 20,959.22	6.61%
2024	28,094	576,525,807	20,521.31	6.44%	566,358,262	20,159.40	8.92%
2023	27,744	541,658,536	19,523.45	9.94%	519,979,987	18,742.07	2.71%
2022	27,561	492,705,322	17,876.90	11.34%	506,263,640	18,368.84	-8.30%
2021	27,010	442,518,150	16,383.49	-0.18%	552,106,785	20,440.83	2.68%
2020	28,603	443,298,080	15,498.31	2.89%	537,696,820	18,798.62	5.94%
2019	29,036	430,865,843	14,839.02	-8.35%	507,539,932	17,479.68	-3.28%
2018	28,556	470,125,491	16,463.28	1.00%	524,750,992	18,376.21	3.19%
2017	28,512	465,480,005	16,325.76	11.54%	508,539,082	17,835.97	12.69%
2016	28,689	417,311,690	14,546.05	-1.22%	451,283,565	15,730.20	3.69%

Note: Operating expenditures represents expenditures within the operating funds: General, Operations & Maintenance and Transportation Funds.

**Source:**

District records and audited financial statements

## Rockford Public Schools District No. 205

Capital Asset Information  
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Schools</b>										
Buildings	48	48	48	48	41	41	41	41	42	42
Buildings, vacant*	1	3	3	4	-	-	-	-	-	-
Square feet, buildings	4,673,498	4,802,739	4,840,950	4,869,490	4,607,135	4,607,135	4,607,135	4,613,651	4,745,887	4,747,483
Capacity	36,836	36,836	36,836	36,836	36,836	36,836	36,836	36,836	37,336	38,152
Enrollment	28,689	28,512	28,556	29,036	28,603	27,010	27,561	27,744	28,094	28,809
<b>Administrative</b>										
Buildings	3	3	3	3	4	3	3	3	3	3
Square feet	291,769	291,769	291,769	302,284	364,377	300,012	300,012	303,774	303,774	303,774
<b>Athletics</b>										
Stadiums	2	2	2	2	2	2	2	2	2	2
Running tracks	5	5	5	5	5	5	6	6	6	7
Baseball/softball	28	28	37	37	37	37	37	37	37	34
Swimming pools	11	11	12	12	12	12	12	12	11	10
Playgrounds	40	39	31	28	28	28	29	29	29	30

**Source:**

District records and audited financial statements

## APPENDIX B-1

### [2026A BONDS]

#### PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Rockford School District Number 205  
Winnebago and Boone Counties, Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Education of Rockford School District Number 205, Winnebago and Boone Counties, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation Limited Tax School Bonds, Series 2026A (the “*Bonds*”), to the amount of \$\_\_\_\_\_, dated \_\_\_\_\_, 2026, due serially on February 1 of the years and in the amounts and bearing interest as follows:

2033	\$	%
2034		%
2035		%
2036		%
2037		%
2038		%
2039		%
2040		%
2041		%
2042		%

the Bonds due on or after February 1, 20\_\_\_, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on February 1, 20\_\_\_, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the *Proceedings*, and we are of the opinion that the *Proceedings* show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or

in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Law"). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District, as more fully described in the Proceedings.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

## APPENDIX B-2

### [2026B BONDS]

#### PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Rockford School District Number 205  
Winnebago and Boone Counties, Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Education of Rockford School District Number 205, Winnebago and Boone Counties, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation School Bonds, Series 2026B (the “*Bonds*”), to the amount of \$\_\_\_\_\_, dated \_\_\_\_\_, 2026, due serially on February 1 of the years and in the amounts and bearing interest as follows:

	\$	%
2029		
2030		
2031		

and we are of the opinion that the *Proceedings* show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the *Bonds* and the enforceability of the *Bonds* may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District’s compliance with certain covenants, under present law, interest on the *Bonds* is excludable from gross income of the owners thereof for federal income tax purposes and is not includable as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Interest on the *Bonds* may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the *Bonds* to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the *Bonds*. Ownership of the *Bonds* may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the *Bonds*.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

## APPENDIX C

### PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by Rockford School District Number 205, Winnebago and Boone Counties, Illinois (the “*District*”), in connection with the issuance of \$ \_\_\_\_\_ General Obligation Limited Tax School Bonds, Series 2026A (the “*2026A Bonds*”) and \$ \_\_\_\_\_ General Obligation School Bonds, Series 2026B (the “*2026B Bonds*” and, together with the 2026A Bonds, the “*Bonds*”). The Bonds are being issued pursuant to separate resolutions adopted by the Board of Education of the District on the 20th day of January, 2026 (together, the “*Resolution*”).

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means information of the type contained under the following headings and subheadings of, and in the following appendices and exhibits to, the Official Statement:

THE BONDS—Debt Service Extension Base Availability after Issuance of the Bonds

THE DISTRICT—Enrollment

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

—Direct General Obligation Bonds (Principal Only)

—Alternate Revenue Bonds (Principal Only)

—Selected Financial Information (only as it relates to direct debt)

—Composition of EAV

—Trend of EAV

—Taxes Extended and Collected

—School District Tax Rates by Purpose

Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Exhibit C—General Fund Revenue Sources

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the District prepared pursuant to the principles and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Financial Obligation of the District* means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; *provided* that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Official Statement, dated \_\_\_\_\_, 2026, and relating to the Bonds.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Reportable Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Illinois.

*Undertaking* means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the District will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the District remains legally liable for the payment of such Bonds. The District will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the District has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the District shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the District shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

ROCKFORD SCHOOL DISTRICT NUMBER 205,  
WINNEBAGO AND BOONE COUNTIES,  
ILLINOIS

By \_\_\_\_\_  
President, Board of Education

Date: \_\_\_\_\_, 2026

**EXHIBIT I**  
**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED**  
**FINANCIAL STATEMENTS**

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in an Official Statement, the Official Statement must be available on EMMA; the Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ending June 30, 2026. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

**EXHIBIT II**  
**EVENTS WITH RESPECT TO THE BONDS FOR WHICH**  
**REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District\*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

**EXHIBIT III**  
**CUSIP NUMBERS**

**2026A BONDS**

<b>MATURITY</b> (FEBRUARY 1)	<b>CUSIP</b> <b>NUMBER</b> (974535)
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	

**2026B BONDS**

<b>MATURITY</b> (FEBRUARY 1)	<b>CUSIP</b> <b>NUMBER</b> (974535)
2029	
2030	
2031	

## APPENDIX D

### SPECIMEN MUNICIPAL BOND INSURANCE POLICY



### MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No:       

MEMBER: [NAME OF MEMBER]

BONDS: \$                    in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date:                   

Risk Premium: \$                     
Member Surplus Contribution: \$                     
Total Insurance Payment: \$                   

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. **THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.**

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

200 Liberty Street, 27th floor  
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

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