

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024



ROCK ISLAND – MILAN SCHOOL DISTRICT #41
ROCK ISLAND, ILLINOIS

Rock Island - Milan School District #41
Rock Island, Illinois

Annual Comprehensive Financial Report
Year Ended June 30, 2024

Prepared by:

Business Office
Annaka Whiting
Chief Financial Officer

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November 4, 2024

To the Members of the Board of Education and Citizens of
Rock Island-Milan School District No. 41:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2024.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a 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.

Bohnsack & Frommelt LLP, Certified Public Accountants, have issued an unqualified opinion on the Rock Island-Milan School District No. 41's financial statements for the year ending June 30, 2024. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditors 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.

Profile of the Government

The Rock Island-Milan School District No. 41 was chartered by the state of Illinois in 1857. It is located in the western part of the state along the Mississippi River. It is one of the Quad-Cities, which includes Davenport and Bettendorf in Iowa and Moline and Rock Island in Illinois. It encompasses thirty-three (33) square miles and serves a population of 36,132 as of July 1, 2023 and a student population of 6,209 per the Illinois State Board of Education's 2023-2024 Fall Enrollment Report. The student population over the next five (5) years is projected to increase slightly. The Rock Island-Milan School District No. 41 is empowered to levy a property tax on real property located within its boundaries.

The Rock Island-Milan School District No. 41 has operated under a Board of Education since its inception. Policy making is vested in the Board of Education. There are seven members of the Board of Education elected on a nonpartisan basis. The Board of Education members serve four-year terms. The terms are staggered with elections for three or four members held every two years. The Board of Education Members are elected at large.

Rock Island-Milan School District #41
2000 7th Avenue, Rock Island, IL 61201
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The Rock Island-Milan School District No. 41 provides a full range of educational student services for children pre-kindergarten through 12. Programming is provided to 6,209 students housed in fourteen (14) buildings.

BUILDING AGE AND SIZE

Rock Island High School	1937	205,478
	1957	125,512
	1964	63,293
	2000	4,200
	2023	<u>13,250</u>
		411,733
Thurgood Marshall	1949	51,154
Edison Junior High	1925	42,796
	1953	6,696
	1956	20,150
	1970	<u>10,650</u>
		80,292
Washington Junior High	1920	35,926
	1955	48,802
	1960	7,144
	2022	<u>3,002</u>
		94,874
Denkmann Elementary	1930	19,618
	1941	15,586
	1954	7,700
	2009	<u>4,400</u>
		47,304
Earl Hanson Elementary	1971	52,371
	2010	<u>3,800</u>
		56,171
Eugene Field Elementary	1949	5,849
	1951	25,809
	1954	3,809
	2009	<u>10,150</u>
		45,617
Frances Willard Elementary	1937	31,772
	1953	7,020
	2010	<u>6,650</u>
		45,442
Rock Island Academy	1961	43,830
	2010	<u>15,550</u>
		59,380
Ridgewood Elementary	1972	47,118
	2010	8,500
	2018	<u>8,507</u>
		64,125

BUILDING AGE AND SIZE

Rock Island Center for Math and Science	2010	64,400
Longfellow Elementary	1935	32,114
	2009	<u>7,035</u>
		39,149
Thomas Jefferson Elementary	1962	40,083
	1999	11,670
	2009	<u>1,050</u>
		52,803
Horace Mann Early Learning Center	1957	32,951
Administration Building	1912	25,536
	1961	<u>12,768</u>
		38,304
Administration Building	2023	34,900

Classroom instruction is delivered via a myriad of curricular offerings and academic programs for students. The Rock Island-Milan school district is also committed to preparing its students for college and career readiness. At Rock Island High School students have the opportunity to take dual credit and AP courses, career pathway courses and hands-on learning through internship/apprenticeships. In addition, the AVID (Advancement Via Individual Determination) elective course has been implemented at Edison Jr. High, Washington Jr. High, Rock Island High School, and Frances Willard Elementary to support college and career readiness for students. Other services such as counseling, health services, athletics, co-curricular activities, technology, food services, business operations, transportation and maintenance provide support within all schools.

The District is required to adopt a final budget by no later than the end of the first quarter of the fiscal year. This annual budget serves as the foundation for the Rock Island-Milan School District's financial planning and control. The budget is prepared by fund, function (e.g. instruction) and object (e.g. salary). The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Local economy

Major employers within the District or in close proximity include agricultural and industrial manufacturers, department of defense installation, insurance companies, medical centers and colleges/universities. With a large number of projected retirements in the next five years, there will be a demand for a skilled workforce to replace the retirees. The District has partnered with the Chamber of Commerce, Bi-State Regional Commission, Community Colleges, and Universities to implement a plan to ensure a skilled workforce is available for local employers.

Long-term financial planning

The District has continued to work on maintaining its fund balance. The fund balance of the General Fund is at 43% of total General Fund revenues. The fund balance will provide continued sustainability and financial flexibility in implementing new or modified programs to meet the changing needs and requirements of the students, families, community, legislature and employers.

A strategic plan drives the allocation of resources to the accomplishment of goals. Action plans define the use of the resources. These plans delineate action steps, timelines and resources necessary for accomplishment. All plans are annually reviewed and prioritized for allocation of resources. To ensure alignment and sustainability, each year management prepares a five-year projection for finances. These projections include future assumptions of operational, programmatic and capital needs. Input for the projections is gathered from staff, students, business, the State Board of Education, literature on future educational trends and economists. A review of current operations along with consideration of future opportunities is conducted annually. The Board of Education directs the Administration to develop a detailed budget within the financial parameters they establish. The current parameter is to develop a balanced operational budget.

Rock Island County residents voted to approve a 1% School Facilities Tax which has generated an estimated \$4.4 million in revenues for school facilities. This tax is restricted to new facilities, additions and renovations, security, entrances, safety, infrastructure, architectural planning, refunding of bonds, and abatement of property taxes levied to pay bonds issued for capital projects. The District has continued to improve these areas for our schools to ensure safety and security for all. Multiple projects have been underway throughout the fiscal year with the following projects completed by June 30, 2024; updates to the small gym upper restrooms, girls locker room showers, and the auditorium lobby at Rock Island High School; and plaster repairs and painting in the Frances Willard gymnasium.

Relevant financial policies

The Rock Island-Milan School District No. 41 operates under the auspices of the State Board of Education. A comprehensive accounting system is promulgated by the State Board of Education including account numbers for revenues and expenditures by function and object. The District additionally tracks revenues and expenditures by location and source of funds. Annual budgets and annual financial reports are provided to the State Board of Education on prescribed forms. Quarterly financial expenditure reports are submitted to the State Board of Education for many federal and state grants.

The Evidence Based Funding for Student Success Act became law. The new funding formula has combined General State Aid, Special Education-Personnel, Special Education-Funding for Children Requiring Special Education Services, Special Education:-Summer School, and English Learner Education. In the new system, a cost for educating students will be determined as the Adequacy Target. The local ability of each district will be compared to the adequacy target and the State will then distribute additional funds to districts that do not meet their adequacy target. The District received additional funding to help narrow the gap between the district's ability to reach the necessary level of funding and the adequacy target.

The District continues to monitor the discussions at the State level regarding the TRS pension plan, and it's short and long term viability. Any significant change to this pension system that shifts costs to the District and its citizens could be detrimental to the financial well-being of all.

The Rock Island-Milan School District No. 41's Board of Education takes its fiduciary responsibility very seriously. It has adopted policies defining a budgeting process, monthly financial reporting, purchasing, facilities planning, insurance and cash management. Idle cash is invested in certificates of deposit, repurchase agreements, obligations of the United States Treasury and commercial paper with parameters of institutional quality and collateralization at 110 percent. A quarterly investment report is provided indicating performance of investments to a comparative benchmark.

Budget Process

The District's Board of Education annually adopts a budget and approves the related appropriations for the General, special revenue, Debt Service and capital projects funds in accordance with provisions of Illinois Compiled Statutes. These budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Legal spending control is established at the fund level, but management control is exercised at budgetary line item levels within each fund. The Board of Education may amend the budget after it is approved using the same procedures necessary to approve the original budget. The budgetary data presented in the financial statements reflects all approved budget transfers. Unexpended budgeted amounts lapse at year-end and are not available in finance expenditures of the following year.

Major Initiatives

The District is journeying to achieve its vision of “To be a premier learning organization that enables students to achieve their maximum potential by equipping them with the necessary skills to be college career, and life ready in a rapidly changing global society”. To accomplish our mission and vision, strategic goals and action plans provide a roadmap to the future.

There are three strategic priorities:

Establishing Respectful Relationships

The district wants to engage all stakeholders through building respectful relationships through the use of consistent and ongoing communication, a positive climate of mutual trust and respect, and cultural competence.

Equity & Opportunity for Success

Improving academic outcomes and closing achievement gaps through ensuring equity and opportunity for all students is also a priority for the district. The goals are to have access to interventions, support, and enrichment for all students, equitable opportunities for academic growth to meet and exceed grade level expectations, and to improve the graduation rate within the Rock Island-Milan School district community.

Enhance & Improve Operations

The administration and staff want to implement practices and procedures to foster a climate of safety and trust. In order to do this the district will continue the recruitment of new team members to join in our journey of excellence that meets the needs of our students and reflects the diverse makeup of our student population is a key to long-term success. Aggressive programs such as college placement office partnerships, recruiting fairs, current team member recommendations and advertising will provide momentum in accomplishing this goal. An in-house succession program to prepare teachers aspiring to become administrators will supply a pool of qualified candidates to fill future openings.

The District has implemented systems of student support that promote the monitoring of individual student performance. Planning for intervention and enrichment to ensure a rich vibrant educational experience for each child is the expected outcome of this initiative. Data teams are formed in the buildings to analyze in-process measures which empower teaching staff to adjust instructional practices to meet student learning needs. Alignment of the assuagements throughout the data teams allows for collaboration and teamwork in driving high achievement for all students.

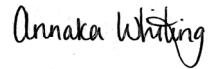
Awards and acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting in the name of Rock Island School District No. 41 for its comprehensive annual financial report (CAFR) for the fiscal year ending June 30, 2023. This award was the twentieth consecutive year that the District has received this prestigious award. In addition, the District has been awarded a Certificate of Excellence in Financial Reporting, from the Association of School Business Officials, for its CAFR for the fiscal year ending June 30, 2023. This was the twenty-fourth consecutive year the District has received this prestigious award. In order to be awarded a Certificate of Achievement and Certificate of Excellence, the District had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's and Certificate of Excellence Program's requirements and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the business office. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Education for their unfailing support for maintaining the highest standards of professionalism in the management of the Rock Island-Milan School District No. 41's finances.

Respectfully submitted,



Annaka Whiting
Chief Financial Officer

Rock Island - Milan School District #41

**Board of Education
Year Ended June 30, 2024**

Name	Title	Term Expires
Terell Williams	President	2025
Michael Matherly	Vice President	2027
Nicole Cisne Durbin	Board Member	2027
Tracy Pugh	Board Member	2025
Margie Mejia-Caraballo	Board Member	2025
Jason Roessler	Board Member	2027
Gary Rowe	Board Member	2025

The election date for Board Members is the first Tuesday in April. Board Members are seated on the Board the first meeting in April and serve a four-year term.

Rock Island - Milan School District #41

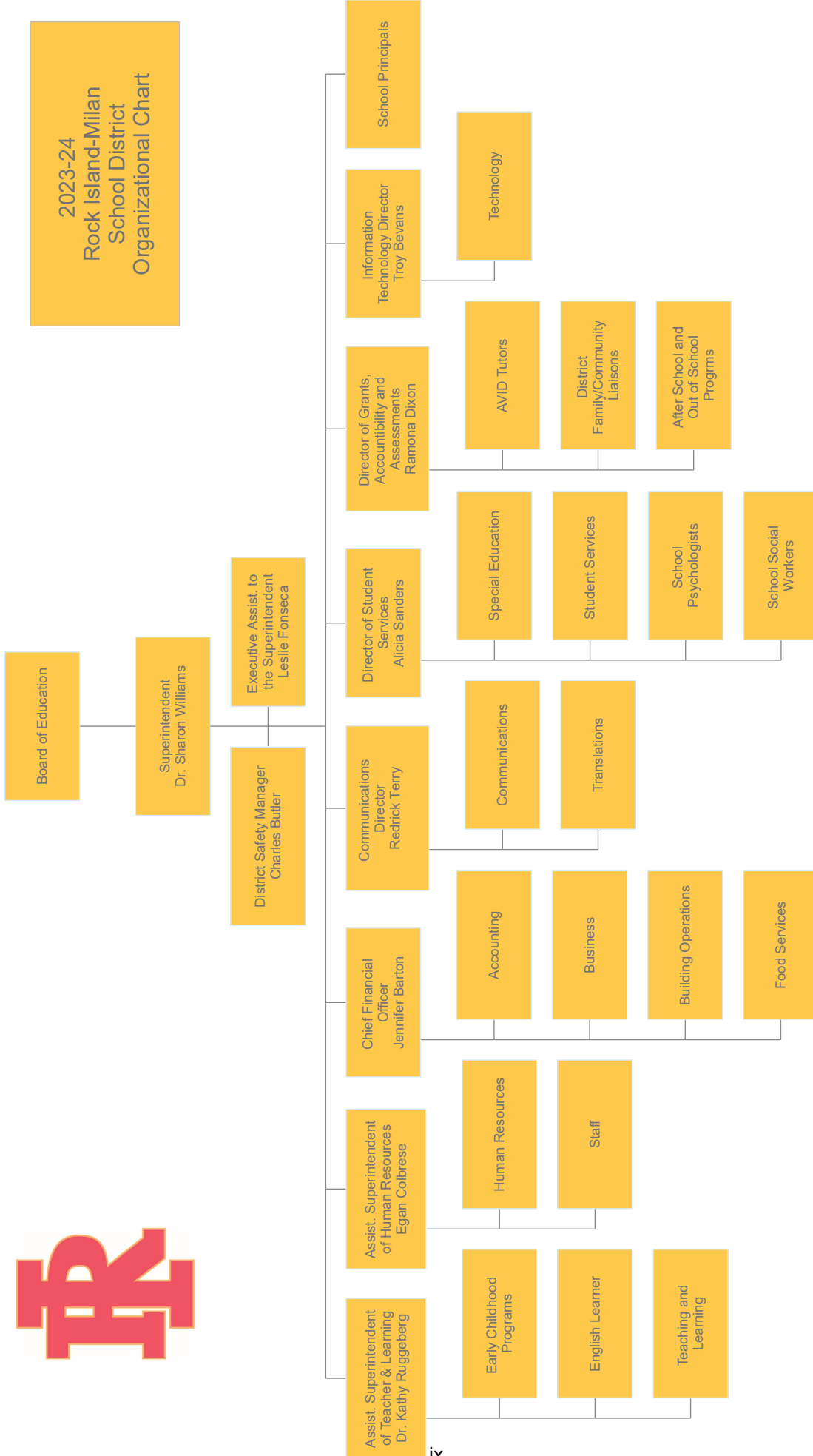
School District Administration

Year Ended June 30, 2024

Sharon Williams	Superintendent
Egan Colbrese	Assistant Superintendent of Human Resources
Kathy Rugeberg	Assistant Superintendent of Curriculum and Instruction
Jen Barton	Chief Financial Officer
Ramona Dixon	Director of Grants, Assessments, and Accountability
Alicia Sierra-Sanders	Director of Pupil and Personnel Services
Troy Bevans	Director of Instructional Technology
Debra Frantz	English Learner Program Director
Nicole Berry	Early Childhood Director
David Knuckey	Horance Mann Early Learning Center Principal (Interim)
La'Shanta Williams	EL Coordinator
Kristin Allen	T&L Coordinator, Secondary
Dorian Maag	T&L Coordinator, Elementary
Lance Clark	Assistant Director of Grants, Assessments, Accountability
Jennifer Fuhr	Special Education Coordinator
Jeff Whitaker	High School Principal
Dan Coyne-Logan	High School Assistant Principal
Kathleen Hartzler	High School Assistant Principal
Mike Emendorfer	Athletic Director
Megan Braun-Howard	High School Dean of Students
Timothy Corwin	High School Dean of Students
Donald Smith	High School Dean of Students
Lorelei Andedo	Student Intervention Administrator
Charles Driscoll	Thurgood Marshall Learning Center Principal
Christi Varnes	Edison Junior High Principal
Reshonda Johnson	Edison Junior High Assistant Principal
Megan Smith	Edison Junior High Dean of Students
Tonya Smith	Washington Junior High Principal (Interim)
Carmen Woods	Washington Junior High Assistant Principal (Interim)
Daniel Colbrese	Washington Junior High Dean of Students (Interim)
Patrick Versluis	Denkmann Elementary School Principal
Sarah Leonard	Earl Hanson Elementary School Principal
Jennifer Alongi	Eugene Field Elementary School Principal
Nicole Melody	Frances Willard Elementary School Principal (Interim)
Jessica Israel	Frances Willard Elementary School Assistant Principal (Interim)
Melody Oswale	Longfellow Liberal Arts Principal
Joey Dilulio	Ridgewood Elementary School Principal
Thomas Ryan	Rock Island Academy Elementary School Principal
J.D. Wilson	Rock Island Academy Elementary School Assistant Principal
John Hawley	Rock Island Center for Math & Science Principal
Krista Lonian	Rock Island Center for Math & Science Assistant Principal
Ian Scott	Thomas Jefferson Elementary School Principal



2023-24
Rock Island-Milan
School District
Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Rock Island-Milan School District #41
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Rock Island-Milan School District #41

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'. The signature is written in a cursive style and is positioned above a horizontal line.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'. The signature is written in a cursive style and is positioned above a horizontal line.

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

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Independent Auditor's Report

To the Board of Education
Rock Island - Milan School District #41
Rock Island, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rock Island-Milan School District #41 as of and for the year ended June 30, 2024, 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 Rock Island-Milan School District #41, as of June 30, 2024, 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 the 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rock Island-Milan School District #41 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 Rock Island-Milan School District #41'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement 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 Rock Island-Milan School District #41'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 Rock Island-Milan School District #41'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 management's discussion and analysis, budgetary comparison information; Teacher's Retirement System of the State of Illinois schedule of the District's proportionate share of the net pension liability and schedule of District contributions; Illinois Municipal Retirement Plan schedule of changes in net pension liability and related ratios and schedule of contributions; Teachers' Health Insurance Security Fund schedule of the District's proportionate share of the net OPEB liability and schedule of District contributions; and District postretirement healthcare fund schedule of changes in total OPEB liability and related ratios, on pages 4-11 and 66-80 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, including the Schedule of Expenditures of Federal Awards required by Title 2, *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

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

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 18, 2024, on our consideration of the Rock Island-Milan School District #41'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 Rock Island-Milan School District #41'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 Rock Island-Milan School District #41's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
November 18, 2024

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Rock Island – Milan School District #41

Management's Discussion and Analysis Year Ended June 30, 2024

It is an honor to present to you the financial picture of Rock Island - Milan School District #41. We offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Rock Island - Milan School District #41 for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

Financial Highlights

The District overall financial position has increased from the prior year. The District showed an increase in governmental activities net position of \$18,319,126 for the year ended June 30, 2024. The District had a increase in governmental activities net position of \$34,291,418 for the year ended June 30, 2023.

Total revenues for the fiscal year ended June 30, 2024 and 2023 of \$137,453,172 and \$146,678,936 were comprised of general revenues in the amount of \$87,362,688 and \$92,532,731 and program revenues totaling \$50,090,484 and \$54,146,205 respectively.

As of June 30, 2024, the District's governmental funds reported combined ending fund balances of \$73,283,868 a decrease of \$11,490,563 in comparison to fiscal year 2023. As of June 30, 2023, the District's governmental funds reported combined ending fund balances of \$84,774,431, an increase of \$21,142,178 in comparison to 2022.

As of June 30, 2024, unassigned fund balance for the General Fund was \$50,876,624 or 44% of total General Fund expenditures.

The Rock Island - Milan School District #41's total long-term debt, excluding compensated absences, decreased by \$4,417,440 during fiscal year ended June 30, 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Rock Island - Milan School District #41's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other information in addition to the basic financial statements.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Rock Island - Milan School District #41's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of Rock Island - Milan School District #41's assets, deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two 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 District's net position changed during the most recent fiscal year. 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 (e.g., uncollected taxes and earned but unused vacation leave).

Rock Island – Milan School District #41

Management's Discussion and Analysis Year Ended June 30, 2024

Both of the government-wide financial statements reflect functions of Rock Island - Milan School District #41 that are principally supported by taxes and intergovernmental revenues (governmental activities). The District does not currently have any activities that are considered business-type activities. The governmental activities of the District include instruction, support services, community services, intergovernmental and debt service interest.

The government-wide financial statements include only Rock Island - Milan School District #41. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the District.

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 Rock Island - Milan School District #41, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three 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. 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 the government's near-term financial 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 Rock Island - Milan School District #41 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 General Fund and Capital Projects Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds: The District maintains an internal service fund to account for the premium and claim payments for the health insurance plan for District employees. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions; it has been included within governmental activities in the government-wide financial statements.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Rock Island - Milan School District #41's own programs. The fiduciary funds of the District are custodial funds.

Rock Island – Milan School District #41

Management’s Discussion and Analysis Year Ended June 30, 2024

Notes to financial statements: The notes 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 Rock Island - Milan School District #41’s pension plans and other postemployment benefit plans.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The District’s total net position has increased from a year ago. Table 1 reflects an increase in net position from \$97,151,289 in 2023 to \$115,470,415 in 2024.

Table 1

	Governmental Activities		Percentage
	2024	2023	Change
Current and other assets	\$ 123,389,340	\$ 134,428,835	-8.2%
Capital assets	128,702,614	110,654,027	16.3%
Total assets	252,091,954	245,082,862	2.9%
Deferred outflows of resources	7,917,299	7,424,155	6.6%
Long-term liabilities	68,219,543	74,599,781	-8.6%
Other liabilities	11,116,975	12,353,416	-10.0%
Total liabilities	79,336,518	86,953,197	-8.8%
Deferred inflows of resources	65,202,320	68,402,531	-4.7%
Net position:			
Net investment in capital assets	82,320,313	74,319,884	10.8%
Restricted	23,259,448	18,060,159	28.8%
Unrestricted	9,890,654	4,771,246	-107.3%
Total net position	\$ 115,470,415	\$ 97,151,289	18.9%

The largest portion of the District’s total assets reflects its investment in capital assets. The District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District’s net investment in capital assets was \$82,320,313. Although the District’s investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District’s net position of \$23,259,448 for 2024 and \$18,060,159 for 2023 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District’s ongoing obligations to students and creditors. The District’s unrestricted net position is \$9,890,654 for 2024 and \$4,771,246 for 2023.

Rock Island – Milan School District #41

**Management’s Discussion and Analysis
Year Ended June 30, 2024**

The District’s total net position increased by \$18,319,126 during the current fiscal year primarily due to (1) a decrease in the pension obligations of approximately \$3.3 million; (2) a decrease in the other post-employment benefit obligations of approximately \$5.9 million and (4) an increase in investment earnings of approximately \$1.0 million.

Table 2 highlights the District’s revenues and expenses for the fiscal year ended June 30, 2024 and 2023. This table utilizes the full accrual method of accounting. Revenues less expenses yielded the change in net position.

Table 2 - Program Revenues and Expenses

	Governmental Activities		Percentage
	2024	2023	Change 2023-24
Revenues:			
Program revenues:			
Charges for services and sales	\$ 2,001,811	\$ 1,974,041	1.4%
Operating grants and contributions	47,441,675	45,496,134	4.3%
Capital grants and contributions	646,998	6,676,030	100.0%
General revenues:			
Property taxes	35,295,692	35,827,342	-1.5%
Unrestricted intergovernmental revenue	9,525,963	15,808,620	-39.7%
School facility occupation tax	4,429,540	4,346,994	1.9%
Grants and entitlements	34,525,494	33,966,789	1.6%
Investment earnings	3,585,999	2,582,986	38.8%
Total revenues	137,453,172	146,678,936	-6.3%
Program expenses:			
Instruction	78,497,678	70,930,640	10.7%
Support services	31,346,395	32,211,890	-2.7%
Community services	4,886,573	4,980,917	-1.9%
Intergovernmental	2,619,653	2,737,721	-4.3%
Debt service interest	1,783,747	1,526,350	16.9%
Total expenses	119,134,046	112,387,518	6.0%
Increase in net position	18,319,126	34,291,418	-46.6%
Net position, beginning of year	97,151,289	62,859,871	54.6%
Net position, end of year	\$ 115,470,415	\$ 97,151,289	18.9%

Rock Island – Milan School District #41

Management’s Discussion and Analysis Year Ended June 30, 2024

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes and unrestricted grants such as state evidence-based funding formula dollars. Expenses are shown in programs including instruction, support services, community services, payments to other governments and districts, and debt service interest.

Table 3 below discloses cost of services for governmental activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by unrestricted state aid or local taxes. The difference in these two columns would represent restricted grants, fees and donations.

Table 3 - Governmental Activities

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2024	2023	Change	2024	2023	Change
	Instruction	\$ 78,497,678	\$ 70,930,640	10.67%	\$ 34,888,639	\$ 23,098,732
Support services	31,346,395	32,211,890	-2.69%	24,864,950	25,897,593	-4.0%
Community services	4,886,573	4,980,917	-1.89%	4,886,573	4,980,917	-1.9%
Payments to other governments and districts	2,619,653	2,737,721		2,619,653	2,737,721	-4.3%
Debt service, interest	1,783,747	1,526,350	16.86%	1,783,747	1,526,350	16.9%
Total	\$ 119,134,046	\$ 112,387,518	6.00%	\$ 69,043,562	\$ 58,241,313	18.5%

Net cost of services is 58 percent of total cost of services in 2024 and 52 percent in 2023. This reflects a decrease in utilization of grants and restricted sources to fund the cost of services.

Financial Analysis of the Government’s Funds

As noted earlier, the Rock Island – Milan School District #41 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the District’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Rock Island – Milan School District #41’s governmental funds reported combined ending fund balances of \$73,283,868 a decrease of \$11,490,563 in comparison with the prior year. Approximately 69 percent of the total ending fund balance constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been restricted for the purpose of special tax levies and student activities.

Rock Island – Milan School District #41

Management's Discussion and Analysis Year Ended June 30, 2024

Major Funds

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the General Fund was \$50,876,624. All of the General Fund balance is classified as unassigned. As a measure of the General Funds liquidity it may be useful to compare total fund balance to the total fund expenditures. Unassigned and total fund balance represents 44 percent of total General Fund expenditures compared to 47 percent in the prior year.

The net change in fund balance for the General Fund was (\$1,511,413) for 2024 compared to \$7,646,928 for 2023. Total revenues in the General Fund decreased from \$124,837,759 in 2023 to \$119,552,733 in 2024. Total expenditures increased from \$112,386,389 in 2023 to \$116,947,402 in 2024. The State of Illinois makes employer pension contributions and retiree health insurance contributions on behalf of the District. The in kind contributions are based on the state's proportionate share of the collective net pension liability. The on-behalf contributions reflected in revenues and expenditures of the General Fund increased from \$24,686,805 in 2023 to \$27,262,842 in 2024. The decrease in revenues is primarily due to prior year Education Stabilization Funding. General Fund expenditures increased \$1,984,976. The increase excluding the \$2,576,037 increase in the on behalf contributions primarily relates to salary and benefit increases.

The Capital Projects Fund is primarily supported by School Facility Occupation Tax which was \$2,670,558 for 2024 and \$2,444,004 for 2023. The Capital Projects Fund was also funded in the current year by Education Stabilization grant funding of \$1,933,171 and a transfer from the General Fund of \$6,000,000. In the current year, the Capital Projects Fund had capital outlay of \$19,057,187 which consisted of projects to the high school for the secure entrance, kitchen, cafeteria, bathroom and commons renovation.

General Fund Budgetary Highlights

Revenues exceed the original and final budget by \$25,972,224 due to the following:

- State on-behalf payments for the Teacher Retirement System are not budgeted. The total state on-behalf payments recorded in intergovernmental revenue was \$27,262,842.

Expenditures exceed the original and final budget by \$22,192,365 primarily due to the following:

- State on-behalf payments for the Teacher Retirement System are not budgeted. The total state on-behalf payments recorded in instruction expenditures was \$27,262,842.

There was one budget amendment made at the May 28, 2024 school board meeting primarily to transfers.

Rock Island – Milan School District #41

**Management’s Discussion and Analysis
Year Ended June 30, 2024**

Capital Assets and Debt Administration

The following table shows ending balances of capital assets invested in various categories. The District recognized a total net increase of \$18,048,587 primarily due to additions of \$21,478,290 offset by depreciation expense of \$3,424,756. Capital asset additions consisted primarily of projects for the high school renovations.

Table 4 - Capital Assets as of June 30 (Net of Depreciation)

	Governmental Activities		Total Percentage Change 2023-24
	2024	2023	
	Land	\$ 2,439,266	\$ 2,439,266
Construction-in-progress	31,427,723	31,048,837	1.2%
Land improvements	2,778,187	2,005,936	38.5%
Buildings	86,376,089	69,480,428	24.3%
Equipment and vehicles	5,504,238	5,385,802	2.2%
Right to use, subscription asset	53,049	85,287	-37.8%
Right to use, leased equipment	124,062	208,471	-40.5%
Total	\$ 128,702,614	\$ 110,654,027	16.3%

More detailed information on capital asset activity can be found in Note 6 to the financial statements.

Long-term Debt

As of June 30, 2024, the Rock Island – Milan School District #41 had general obligation bonds outstanding totaling \$47,338,554. In the current year, the District paid \$3,900,000 in principal on its general obligation bonds and \$2,195,213 in interest.

Table 5 - Outstanding Long-Term Obligations

	Governmental Activities		Total Percentage Change 2023-24
	2024	2023	
	General obligation bonds	\$ 47,338,554	\$ 51,648,110
Subscription liability	22,064	44,957	-50.9%
Lease obligations	130,544	215,535	-39.4%
Total	\$ 47,491,162	\$ 51,908,602	-8.5%

As of June 30, 2024, the District’s available legal debt margin was \$53,318,209 as compared to \$42,844,390 in 2023. Additional information about the District’s long-term debt can be found in Note 7 to the financial statements.

Rock Island – Milan School District #41

Management's Discussion and Analysis Year Ended June 30, 2024

Economic Factors

Future year financial projections include a prediction of a flattening or declining revenue stream, operational expenditures will continue to be conservative to maintain a strong financial condition. All of these factors were considered in preparing the Rock Island – Milan School District #41's budget for the 2025 fiscal year.

Requests for Information

These financial statements and discussions are designed to provide our students, citizens, taxpayers, investors and creditors with a complete disclosure of the District's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Annaka Whiting, Chief Financial Officer, Rock Island – Milan School District #41, 2101 Sixth Avenue, Rock Island, Illinois 61201.

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Rock Island - Milan School District #41

**Statement of Net Position
June 30, 2024**

	<u>Governmental Activities</u>
Assets	
Current:	
Cash and investments	\$ 69,905,174
Receivables, net of allowances for uncollectible amounts:	
Property taxes	43,028,941
Corporate personal property replacement taxes	1,613,378
Other	21,236
Due from other governmental units	8,626,326
Current assets	<u>123,195,055</u>
Noncurrent:	
Lease	194,285
Capital assets:	
Nondepreciable:	
Land	2,439,266
Construction-in-process	31,427,723
Depreciable:	
Land improvements	6,135,266
Buildings	124,881,495
Equipment and vehicles	10,889,396
Right to use leased equipment	263,431
Right to use subscription asset	113,124
Accumulated depreciation and amortization	<u>(47,447,087)</u>
Noncurrent assets	<u>128,896,899</u>
Total assets	<u>252,091,954</u>
 Deferred Outflows of Resources	
Pension related deferred outflows	4,828,679
OPEB related deferred outflows	3,088,620
Total deferred outflows of resources	<u>7,917,299</u>

	Governmental Activities
	<u> </u>
Liabilities	
Accounts payable	\$ 6,310,908
Accrued payroll and benefits	4,562,100
Accrued interest	176,728
Unearned revenue	67,239
Current liabilities	<u>11,116,975</u>
Noncurrent liabilities:	
Due within one year:	
Compensated absences	396,430
General obligation bonds	3,735,000
Subscription based information technology obligations	22,064
Lease obligations	85,926
Total OPEB liability	80,000
Portion due after one year:	
Compensated absences	20,865
General obligation bonds	43,603,554
Lease obligations	44,618
Total OPEB liability	13,182,569
Net pension liability	7,048,517
Noncurrent liabilities	<u>68,219,543</u>
Total liabilities	<u>79,336,518</u>
 Deferred Inflows of Resources	
Property taxes levied for subsequent years	34,784,122
Pension related deferred inflows	389,509
OPEB related deferred inflows	29,834,404
Lease related deferred inflows	194,285
Total deferred inflows of resources	<u>65,202,320</u>
 Net Position	
Net investment in capital assets	82,320,313
Restricted for:	
Debt service	1,472,173
Student transportation	3,057,449
Pension contributions	2,997,004
Safety and security	1,594,627
Capital improvements	13,576,527
Student activities	561,668
Unrestricted	9,890,654
Total net position	<u>\$ 115,470,415</u>

See Notes to Basic Financial Statements.

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Rock Island-Milan School District #41

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental activities:					
Instruction	\$ 78,497,678	\$ 1,124,283	\$ 41,937,758	\$ 546,998	\$ (34,888,639)
Support services	31,346,395	877,528	5,503,917	100,000	(24,864,950)
Community services	4,886,573	-	-	-	(4,886,573)
Intergovernmental	2,619,653	-	-	-	(2,619,653)
Debt service, interest on long-term debt	1,783,747	-	-	-	(1,783,747)
	<u>119,134,046</u>	<u>2,001,811</u>	<u>47,441,675</u>	<u>646,998</u>	<u>(69,043,562)</u>
General revenues:					
Property taxes					35,295,692
Corporate personal property replacement taxes					9,525,963
School facility occupation tax					4,429,540
Grants and entitlements not restricted to specific programs					34,525,494
Investment earnings					3,585,999
Total general revenues					<u>87,362,688</u>
Change in net position					18,319,126
Net position, beginning of year					<u>97,151,289</u>
Net position, end of year					<u>\$ 115,470,415</u>

See Notes to Basic Financial Statements.

Rock Island - Milan School District #41

**Balance Sheet
Governmental Funds
June 30, 2024**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 43,921,170	\$ 15,177,320	\$ 7,514,649	\$ 66,613,139
Receivables, net of allowances for uncollectible amounts:				
Property taxes	33,231,032	-	9,797,909	43,028,941
Corporate personal property replacement taxes	1,613,378	-	-	1,613,378
Other	21,236	-	-	21,236
Lease	194,285	-	-	194,285
Due from other governmental units	4,756,789	3,029,537	840,000	8,626,326
Due from other funds	29,457	-	7	29,464
Total assets	\$ 83,767,347	\$ 18,206,857	\$ 18,152,565	\$ 120,126,769
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts and contracts payable	\$ 904,355	\$ 3,762,037	\$ 152,734	\$ 4,819,126
Accrued payroll and benefits	4,341,974	-	220,126	4,562,100
Due to other funds	7	-	-	7
Unearned revenue	67,239	-	-	67,239
Total liabilities	5,313,575	3,762,037	372,860	9,448,472
Deferred Inflows of Resources:				
Unavailable revenue:				
Property taxes	26,859,726	-	7,924,396	34,784,122
Intergovernmental	523,137	1,052,885	840,000	2,416,022
Lease	194,285	-	-	194,285
Total deferred inflows of resources	27,577,148	1,052,885	8,764,396	37,394,429
Fund Balances:				
Restricted	-	13,391,935	9,015,309	22,407,244
Unassigned	50,876,624	-	-	50,876,624
Total fund balances	50,876,624	13,391,935	9,015,309	73,283,868
Total liabilities, deferred inflows of resources and fund balances	\$ 83,767,347	\$ 18,206,857	\$ 18,152,565	\$ 120,126,769

See Notes to Basic Financial Statements.

Rock Island - Milan School District #41

**Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position
June 30, 2024**

Total fund balances of governmental funds	\$ 73,283,868
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	128,702,614
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	2,416,022
Deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:	
Pension related:	
Deferred outflows of resources	4,828,679
Deferred inflows of resources	(389,509)
OPEB related:	
Deferred outflows of resources	3,088,620
Deferred inflows of resources	(29,834,404)
The Internal Service Fund is used to charge costs of the District's self-funded insurance plan to the governmental funds. The net position of the Internal Service Fund is therefore included under governmental activities.	1,770,796
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
Compensated absences	(417,295)
Accrued interest	(176,728)
General obligation bonds	(43,795,000)
Lease obligations	(130,544)
IT subscription obligations	(22,064)
Net pension liability	(7,048,517)
Other post employment benefits obligation	(1,660,079)
Other post employment benefits obligation, THIS	(11,602,490)
Bond premium	(3,543,554)
Net position of governmental activities	<u><u>\$ 115,470,415</u></u>

See Notes to Basic Financial Statements.

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Rock Island - Milan School District #41

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 27,291,412	\$ -	\$ 8,004,280	\$ 35,295,692
School facility occupation tax	-	2,670,558	1,771,319	4,441,877
Intergovernmental	88,616,213	1,933,171	726,587	91,275,971
Interest	2,035,992	946,036	421,270	3,403,298
Other, primarily student fundraising activities and fees	1,609,116	-	392,696	2,001,812
Total revenues	119,552,733	5,549,765	11,316,152	136,418,650
Expenditures:				
Current:				
Instruction	79,342,251	-	959,802	80,302,053
Support services	28,007,195	-	4,726,027	32,733,222
Community services	4,882,653	-	3,920	4,886,573
Intergovernmental	2,619,653	-	-	2,619,653
Capital outlay	2,095,650	19,057,187	-	21,152,837
Debt service:				
Principal	-	-	4,022,073	4,022,073
Interest	-	-	2,206,991	2,206,991
Total expenditures	116,947,402	19,057,187	11,918,813	147,923,402
Excess (deficiency) of revenues over (under) expenditures	2,605,331	(13,507,422)	(602,661)	(11,504,752)
Other financing sources (uses):				
Issuance of long term debt	14,189	-	-	14,189
Transfers in	2,000,000	6,000,000	130,933	8,130,933
Transfers out	(6,130,933)	-	(2,000,000)	(8,130,933)
Total other financing sources (uses)	(4,116,744)	6,000,000	(1,869,067)	14,189
Net change in fund balance	(1,511,413)	(7,507,422)	(2,471,728)	(11,490,563)
Fund balance, beginning of year	52,388,037	20,899,357	11,487,037	84,774,431
Fund balance, end of year	\$ 50,876,624	\$ 13,391,935	\$ 9,015,309	\$ 73,283,868

See Notes to Basic Financial Statements.

Rock Island - Milan School District #41

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities
Year Ended June 30, 2024**

Net change in fund balances - total governmental funds \$ (11,490,563)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Net Position and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Expenditures for capital assets	\$ 21,478,290	
Depreciation and amortization expense	(3,424,756)	
Loss on disposal of capital assets	<u>(4,947)</u>	18,048,587

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in unavailable revenues:

School facility occupation tax	(12,337)	
Transportation	110,000	
Capital grants	546,998	
Other grants	<u>(76,912)</u>	567,749

The issuance of long-term debt provides current financial resources to governmental funds, while the repayments of the principal of long-term debt consumes the current financial resources of governmental funds. The issuance of debt increases liabilities in the Statement of Net Position, while the repayment of long-term debt reduces long-term liabilities. Also governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Interest is accrued on outstanding bonds, whereas in the governmental funds, interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Issuance of subscription based information technology	(14,189)	
Lease obligation payment	84,991	
Subscription based information technology obligation payment	37,082	
Repayment of bond principal	3,900,000	
Interest expense	13,688	
Amortization of bond premium	<u>409,556</u>	4,431,128

The decrease in net position of the Internal Service Fund represents an undercharge to the governmental funds and is incorporated into the change in net position of governmental activities.		(2,435,832)
Commodities inventory is not a financial resource in governmental funds. Commodities used are reported as expenses and commodities donated are reported as revenue in the statement of activities:		
Commodities used		(284,073)
Commodities donated		284,073
Some expenses reported 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, as follows:		
Compensated absences	(12,816)	
Other post employment benefits obligation	(27,889)	
Other post employment benefits obligation, THIS	5,873,564	
Pension expense-instruction	1,026,246	
Pension expense-support services	2,338,952	9,198,057
Change in net position of governmental activities		<u>\$ 18,319,126</u>

See Notes to Basic Financial Statements.

Rock Island - Milan School District #41

Statement of Net Position

Governmental Activities - Proprietary Fund - Internal Service Fund

June 30, 2024

Assets

Current:

Cash and investments	\$ 3,292,035
Total assets	<u><u>\$ 3,292,035</u></u>

Liabilities

Current:

Accounts payable	\$ 1,491,782
Due to other funds	29,457
Total assets	<u><u>1,521,239</u></u>

Net Position, unrestricted	<u><u>\$ 1,770,796</u></u>
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See Notes to Basic Financial Statements.

Rock Island - Milan School District #41

**Statement of Revenues, Expenses and Changes in Fund Net Position
Governmental Activities - Proprietary Fund - Internal Service Fund
Year Ended June 30, 2024**

Operating revenues, charges for services	<u>\$ 7,640,027</u>
Operating expenses	<u>10,258,559</u>
Operating loss	(2,618,532)
Nonoperating income, interest income	<u>182,700</u>
Change in net position	(2,435,832)
Total net position, beginning	4,206,628
Total net position, ending	<u><u>\$ 1,770,796</u></u>

See Notes to Basic Financial Statements.

Rock Island - Milan School District #41

Statement of Cash Flows

Governmental Activities - Proprietary Fund - Internal Service Fund

Year Ended June 30, 2024

Cash flows from operating activities:

Cash received from employees and employer	\$ 7,640,027
Cash payments for administration	(93,583)
Cash payments for claims	(10,063,616)
Net cash (used in) operating activities	<u>(2,517,172)</u>

Cash flows from noncapital financing activities, proceeds from other funds 29,561

Cash flows from investing activities, interest received on investments 182,700

Net decrease in cash and cash equivalents (2,304,911)

Cash and cash equivalents:

Beginning	<u>5,596,946</u>
Ending	<u>\$ 3,292,035</u>

Reconciliation of operating (loss) to net cash (used in)

operating activities:

Operating (loss) \$ (2,618,532)

Adjustments to reconcile operating loss to net cash used in

operating activities:

Increase in accounts payable 101,360

Net cash (used in) operating activities \$ (2,517,172)

See Notes to Basic Financial Statements.

Rock Island - Milan School District #41

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024**

	<u>Custodial Funds</u>
Assets	
Cash and investments	\$ 250,102
	<u><u>250,102</u></u>
Net Position	
Restricted for individuals, organizations and other governments	\$ 250,102
	<u><u>250,102</u></u>

See Notes to Basic Financial Statements.

Rock Island - Milan School District #41

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2024

	Custodial Funds
Additions	
Contributions:	
Employees	\$ 220,213
Investment earnings:	
Interest, dividends, and other	16,451
Total additions	<u>236,664</u>
Deductions	
Benefits paid to participants	223,537
Scholarships paid to recipients	1,209
Total deductions	<u>224,746</u>
Net increase in fiduciary net position	11,918
Net position- beginning	238,184
Net position- ending	<u>\$ 250,102</u>

See Notes to Basic Financial Statements.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation and Financial Statement Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies

Nature of operations:

Rock Island - Milan School District #41 (the District) is a chartered public school district encompassing the majority of the City of Rock Island, Illinois, the entire Village of Milan, Illinois and certain unincorporated areas. The District is responsible for the public education of approximately 6,200 students from pre-school through high school in one pre-school, nine elementary, two junior high, and one senior high school and one alternative school building.

Reporting entity:

Accounting principles generally accepted in the United States of America require the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Rock Island - Milan School District #41 is governed by a Board of Education, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The District has the statutory authority to adopt its own budget, to levy taxes and to issue bonded debt without the approval of another government. It has the right to sue and be sued, and has the right to buy, sell, lease or mortgage property in its own name. In addition, the Governmental Accounting Standards Board sets forth additional criteria to determine whether certain organizations for which the District is not financial accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units, or its constituents, 2) the District being entitled to, or having the ability to otherwise access, are significant to the District. Based on these criteria, the District is considered a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these basic financial statements.

Basis of presentation and financial statement presentation:

The District's basic financial statements consist of the Government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation and Financial Statement Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (Continued)

Government-wide financial statements: The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. The District does not have any activities that are considered business-type activities.

The Statement of Net Position presents the District's nonfiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvements of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

Fund financial statements: Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The District reports the following major governmental funds:

General Fund: The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purposes provided it is expended or transferred according to the general laws of Illinois.

Capital Projects Fund: The Capital Projects Fund accounts for the revenues and expenditures related to the school facility occupation tax that is restricted for use for school facility projects.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation and Financial Statement Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (Continued)

The other governmental funds of the District are considered nonmajor and are as follows:

Special Revenue Funds: Are used to account for the revenue sources that are legally restricted to expenditures for specific purposes:

Transportation Fund: This fund accounts for all revenue received and expenditures made for student transportation to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement Fund: This fund accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, OASDI and Employer's Share of Medicare for noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.

School Activity Fund: This fund accounts for the monies generated by student organizations via fund raising activities.

Tort Immunity and Judgment Fund: This fund accounts for all revenue received and expenditures made for tort immunity or tort judgment purposes. Revenue is derived primarily from local property taxes.

Debt Service Fund: Accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of local property taxes.

Capital Projects Funds: Are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including acquisition or construction of capital facilities and other capital assets.

Life Safety Fund: The Life Safety Fund accounts for the revenue and expenditures related to fire prevention and safety projects.

Additionally, the District reports the following fund types:

Proprietary Fund: The proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The only proprietary fund of the District is the Internal Service Fund. The Internal Service Fund supports the general government and accounts for the premium payment for the health insurance plan for District employees.

Fiduciary Funds: Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary funds of the District are considered custodial funds. Custodial funds of the District consists of various scholarship funds and the flex benefit plan of the employees.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation and Financial Statement Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (Continued)

Measurement focus and basis of accounting:

Government-wide financial statements: The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary and fiduciary fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. All assets, deferred outflows of resources, deferred inflows of resources and liabilities associated with the operation of the District are included on the statement of net position. Revenues are recorded when earned and expense are recorded when a liability is incurred, regardless of timing of related cash flow.

Fund financial statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets plus deferred outflows of resources and current liabilities plus deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

Revenues – exchange and nonexchange transactions: Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of fiscal year-end.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation and Financial Statement Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (Continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which it is budgeted. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, property and corporate personal property replacement taxes, intergovernmental revenues, charges for services and interest revenues are considered to be both measurable and available at fiscal year-end to the extent received within 60 days of year-end.

Proprietary funds distinguished operating revenues and expenses from nonoperating items. Operating revenues and expense 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 District's internal service fund is charges for services. Operating expenses include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Significant accounting policies:

The significant accounting policies followed by the District include the following:

Property taxes: Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represents the 2023 levy and six months of the 2024 levy. Property taxes are levied each year on all taxable real property in the District. Property taxes are assessed on or before the last Tuesday in December and attach as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in June, August, September and November and are collected by the county collector, who in turn remits to the District its respective share. An allowance is provided for uncollectible taxes. Property taxes that are not available for current year operations are shown as deferred inflows of resources in the governmental fund financial statements.

Due from other governmental units: Due from other governmental units represents amounts due from the Illinois State Board of Education, grants and reimbursements from other governments.

Unearned revenue: Unearned revenue in the governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenue consists primarily of school registration fees and meal revenues collected for the programs and services in the next school year.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation and Financial Statement Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (Continued)

Deferred outflows of resources: In addition to assets, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District's government-wide statements present the pension related deferred outflows of resources and other postemployment benefit (OPEB) related deferred outflows of resources.

Deferred inflow of resources: In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that apply to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenue from three sources: property taxes, intergovernmental revenue and leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District's government-wide statements present only the property tax revenues, pension related deferred inflows, OPEB related deferred inflows and lease related deferred inflows. The property tax revenues remain under the full accrual basis of accounting and will become an inflow in the year that they are levied and budgeted for. The lease related deferred inflows is the unamortized portion of the lease receivable.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's pension plans and additions to/deductions from pension fiduciary net position have been determined on the same basis as they are reported by the respective pension plan. 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.

Other Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Postretirement Health Plan and the Teacher Health Insurance Security Fund of Illinois (THIS) and additions to / deductions from the fiduciary net position have been determined on the same basis as they are reported by the District Postretirement Health Plan and THIS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Expenses/expenditures: On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of activities, as an expense, with the amount donated to the District reported as program revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable and due. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation and Financial Statement Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (Continued)

Investments: The investments are stated at fair value with the exception of the external investment pools below. Short-term investments are reported at cost which approximates fair value. Securities traded in a national or international exchange are valued at the last reported sales price at the current exchange rates. There are no investments in a fund earning income that is recorded in another fund.

The District invests in the Illinois Funds Money Market Fund, the Illinois School District Liquid Asset Fund, RMA Money Market Portfolio, UBS Bank USA Business Account and the Treasury Management Investment Funds which are external investment pools that are not SEC-registered. The Illinois Funds Money Market Fund is regulated by the State Treasurer's Office and the Treasury Management Investment Fund, RMA Money Market, UBS Bank USA Business Account and Federated Treasury Management Investment Funds are managed by a financial institution and, therefore, regulated by the Comptroller of the Currency for Collective Investment Funds. The external investment pools are recorded at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Capital assets: Capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The District maintains a capitalization threshold of \$5,000. All capital assets except land and construction-in-process are depreciated.

Capital assets are depreciated using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land improvements	20 years
Buildings	50 years
Equipment and vehicles	5 - 20 years

Compensated absences: 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 it accrues. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the District will compensate the employees for the benefits through paid time off or some other means. Employee sick leave does not vest and is only available for use during the term of employment with the District and is recognized as a liability only as it is used.

Cash flows: For the purpose of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation and Financial Statement Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (Continued)

Leases:

Lessee: The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the proprietary fund statements and the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs to place the asset in service. Subsequently, the lease asset is amortized on a straight-line basis over the life of the lease.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The District is a lessor for a noncancellable lease of a portion of a building for a cell tower. The District recognizes a lease receivable and a deferred inflow of the resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation and Financial Statement Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (Continued)

Subscription-Based Information Technology Arrangements (SBITA) – The District has entered into a contract that conveys control of the right to use information technology software. The District has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements.

At the commencement of the IT subscription term, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how the District determines the discount rate it uses to discount the expected payments to present value, term and payments.

The District uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

The District monitors changes in circumstances that would require a remeasurement of its IT subscription and will remeasure the right-to-use IT subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

Accrued liabilities and long-term obligations: All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences and special termination benefits are reported as a liability in the fund financial statements only to the extent that they have matured and are due.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation and Financial Statement Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (Continued)

Fund balance: In the governmental fund financial statements fund balances are classified as follows:

Nonspendable: Balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The authority to assign fund balances has been delegated to the Chief Financial Officer.

Unassigned: All amounts not included in other spendable classifications as well as any deficit fund balance of any other governmental fund is reported as unassigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance.

When an expenditure is incurred for purposes for which amounts in the committed, assigned, or unassigned fund balance classifications could be used, the District's policy is generally to first apply the expenditure to restricted fund balance and then to less restrictive classifications – committed, assigned and then unassigned fund balances.

Net position: In proprietary funds, fiduciary funds, and government-wide financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Unspent bond proceeds were \$4,870,898 as of June 30, 2024. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted by enabling legislation as of June 30, 2024 consists of \$1,472,173 for debt service, \$3,057,449 for student transportation, \$2,997,004 for pension contributions, \$1,594,627 for safety and security, \$13,576,527 for capital improvements and \$561,668 for student activities.

Net position flow assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation and Financial Statement Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (Continued)

Interfund transactions: Transactions among District funds would be treated as revenues and expenditures or expenses if they involved organizations external to the District and are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through with the revenues are to be expected, are separately reported in the respective fund's operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding are reported in the government-wide financial statements as "internal balances."

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

Note 2. Budgets and Budgetary Information

The District's Board of Education annually adopts a budget and approves the related appropriations for the General, special revenue, Debt Service and capital projects funds in accordance with provisions of Illinois Compiled Statutes. These budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. On-behalf payments made by the state of Illinois for the District are not budgeted for by the District as revenues and expenditures. These on-behalf payments were recorded in the General Fund in the amount of \$27,262,842 as of June 30, 2024 and are included in the actual column in the statement of revenues, expenditures and changes in fund balance – budget and actual and resulted in the General Fund exceeding the final amended budget by \$22,192,365. The Debt Service Fund actual expenditures exceeded budgeted expenditures by \$46,235.

Legal spending control is established at the fund level, but management control is exercised at budgetary line item levels within each fund. The Board of Education may amend the budget after it is approved using the same procedures necessary to approve the original budget. The budgetary data presented in the financial statements reflects all approved budget transfers. Unexpended budgeted amounts lapse at year-end and are not available to finance expenditures of the following year.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 3. Deposits and Investments

As of June 30, 2024, the carrying amount of the District's deposits totaled \$61,269,817 (including \$83,561 of custodial funds) with the banks balances of \$69,996,133.

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 or identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2024, the District's investments were as follows:

	Investment Maturities (in Years)				
	Fair Value	Less than 1	1-5	6-10	>10
Investment Pool,					
Illinois Funds Money					
Market Funds	\$ 715,553	\$ 715,553	\$ -	\$ -	\$ -
Illinois School District					
Liquid Asset Fund	8,003,365	8,003,365	-	-	-
Open Mutual Fund,					
Franklin Income Mutual Fund	71,473	71,473	-	-	-
Total Investment Pool	<u>\$ 8,790,391</u>	<u>\$ 8,790,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Common Stock measured at					
Level 1 inputs:					
Chevron Corporation	\$ 48,177	N/A	N/A	N/A	N/A
GE Healthcare Technologies	935	N/A	N/A	N/A	N/A
General Electric Company	7,426	N/A	N/A	N/A	N/A
Johnson & Johnson	14,616	N/A	N/A	N/A	N/A
WAB TEC	158	N/A	N/A	N/A	N/A
Wells Fargo	23,756	N/A	N/A	N/A	N/A
Total Common Stock	<u>\$ 95,068</u>				

The Illinois Funds Money Market Fund and the Illinois School District Liquid Asset Fund are local government investment pools operated by the Illinois State Treasurer. The Illinois Funds Money Market Fund and the Illinois School District Liquid Asset Fund are valued at amortized costs pursuant to Rule 2a-7 under the investment Company Act of 1940. There were no limitations or restrictions on withdrawals. The Franklin Income Mutual Fund invests in stocks and foreign, corporate and United States treasury bonds. The Franklin Income Mutual Fund is measured at net asset value. The fair value of the account is each share held and the value of the position is the state price of the mutual fund using quoted market prices (level 1 inputs) multiplied by the number of shares held. There were no limitations or restrictions on withdrawals.

Interest rate risk: In accordance with the District's investment policy, the District strives to earn an average rate of return equal to or greater than the U.S. Treasury Bill rate for a given period of time for the average weighted maturity of the District's investments.

Credit risk: State statutes authorize the District to make deposits in interest-bearing depository accounts in federally insured and/or state-chartered banks and savings and loan associations, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, and short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

However, the District's investment policy additionally limits investments in commercial paper to obligations at the time of purchase rated within the two highest ratings issued by nationally recognized statistical rating organizations with a maturity less than 180 days. The total investment in any one corporation cannot be more than \$20 million and the total investment in any one corporation cannot exceed 10 percent of the corporation's outstanding obligations.

The District is also authorized to invest in Illinois School District Liquid Asset Fund, Treasury Management Investment Market Fund and the Illinois Funds Money Market Funds, which invests member deposits, on a pooled basis, primarily in short-term certificates of deposit and in high rated short-term obligations of major United States corporations and banks. However, the District's investment policy further limits investments in pooled funds to those consisting of investment instruments with a weighted average maturity no greater than 180 days. As of June 30, 2024, the District's investments were rated as follows:

Investment Type	Standard &	
	Poor's	Fitch
Illinois Funds Money Market Funds	N/A	AAAmmf
Illinois School District Liquid Asset Fund	AAAm	N/A
Franklin Income Mutual Fund	Not Rated	Not Rated

Concentration of credit risk: The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The District's investment policy seeks diversification to minimize the risk of loss resulting in over concentration in a specific maturity, issuer or class of securities. The policy allows for investments of up to 100 percent in bonds, notes, certificates of indebtedness, treasury bills or other securities issued by the United States of America, its agencies and allowable instrumentalities; up to 90 percent in interest-bearing savings accounts, money market accounts, NOW accounts, certificates of deposits or time deposits, collateralized repurchase agreements and pooled funds; and up to 33 percent in commercial paper and investments with savings banks or savings and loan associations which are insured by FDIC.

Custodial credit risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. It is the District's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. As of June 30, 2024, none of the District's bank balances were exposed to custodial credit risk. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. As of June 30, 2024, The District's investments are not exposed to custodial credit risk.

Note 4. Lease Receivable

In 2012, the District entered into an agreement to lease a rooftop with a cellular company for a tower. The initial terms of the agreement was for five years with monthly payments of \$900. The lease can be renewed for five additional five-year periods with a 10% increase in monthly payments. The District recognized \$5,184 in lease revenue and \$7,884 in interest revenue during the current fiscal year related to the lease. As of June 30, 2024, the District's receivable for lease payments was \$194,285. The District has a deferred inflow of resources associated with this lease of \$194,285 that will be recognized as revenue over the lease term.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 5. Allowance for Uncollectible Accounts

As of June 30, 2024, allowances for uncollectible amounts of property taxes were as follows:

General Fund	\$ 183,531
Debt Service Fund	23,922
Nonmajor governmental funds:	
Special revenue funds	17,900
Total	<u><u>\$ 225,353</u></u>

Note 6. Capital Assets

Capital assets activity for the year ended June 30, 2024 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,439,266	\$ -	\$ -	\$ 2,439,266
Construction in progress	31,048,837	13,140,639	12,761,753	31,427,723
Total capital assets not being depreciated	<u>33,488,103</u>	<u>13,140,639</u>	<u>12,761,753</u>	<u>33,866,989</u>
Capital assets being depreciated:				
Land improvements	5,108,297	1,039,337	12,368	6,135,266
Buildings	105,715,382	19,166,113	-	124,881,495
Equipment and vehicles	10,047,428	875,445	33,477	10,889,396
Right to use leased equipment	349,246	-	85,815	263,431
Right to use subscription asset	140,793	18,509	46,178	113,124
Total capital assets being depreciated	<u>121,361,146</u>	<u>21,099,404</u>	<u>177,838</u>	<u>142,282,712</u>
Less accumulated depreciation for:				
Land improvements	3,102,361	262,139	7,421	3,357,079
Buildings	36,234,954	2,270,452	-	38,505,406
Equipment and vehicles	4,661,626	757,009	33,477	5,385,158
Right to use leased equipment	140,775	84,409	85,815	139,369
Right to use subscription asset	55,506	50,747	46,178	60,075
Total accumulated depreciation and amortization	<u>44,195,222</u>	<u>3,424,756</u>	<u>172,891</u>	<u>47,447,087</u>
Total capital assets being depreciated, net	<u>77,165,924</u>	<u>17,674,648</u>	<u>4,947</u>	<u>94,835,625</u>
Governmental activities capital assets, net	<u><u>\$ 110,654,027</u></u>	<u><u>\$ 30,815,287</u></u>	<u><u>\$ 12,766,700</u></u>	<u><u>\$ 128,702,614</u></u>

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 6. Capital Assets (Continued)

Depreciation and amortization expense was charged to governmental functions as follows:

Governmental activities:	
Instruction	\$ 3,248,518
Support services	176,238
Total governmental activities depreciation and amortization expense	\$ 3,424,756

Note 7. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2024 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General Obligation School Bonds (Alternate Revenue Source) Series 2022	\$ 19,400,000	\$ -	\$ 165,000	\$ 19,235,000	\$ 175,000
Bond premium, Series 2022	881,117	-	45,379	835,738	-
General Obligation School Bonds (Alternate Revenue Source) Series 2020	12,510,000	-	785,000	11,725,000	820,000
Bond premium, Series 2020	1,985,319	-	166,600	1,818,719	-
General Obligation Refunding School Bonds, Series 2018	15,785,000	-	2,950,000	12,835,000	2,740,000
Bond premium, Series 2018	1,086,674	-	197,577	889,097	-
Lease obligations	215,535	-	84,991	130,544	85,926
IT subscription obligation	44,957	14,189	37,082	22,064	22,064
Compensated absences	404,479	417,295	404,479	417,295	396,430
Total	\$ 52,313,081	\$ 431,484	\$ 4,836,108	\$ 47,908,457	\$ 4,239,420

Compensated absences are generally liquidated by the General Fund.

General Obligation Refunding School Bonds Series 2018: In February 2018, the District issued \$27,730,000 General Obligation Refunding School Bonds, Series 2018 with an interest rate of 4.0 percent to current refund \$10,000,000 General Obligation School Bonds, Series 2008, \$10,975,000 General Obligation Refunding School Bonds, Series 2009A, and \$8,450,000 General Obligation School Building Bonds, 2009B. The District current refunded the Series 2008, 2009A and 2009B School Bonds to reduce its debt service payments \$3,770,924 over the next ten years and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,154,197. Principal is payable December 1 and interest is payable semiannually each June 1 and December 1 until maturity on December 1, 2028. The total principal remaining to be paid on the Series 2018 bonds is \$12,835,000. During the year ended June 30, 2024, \$2,950,000 of principal and \$572,400 of interest was paid on the bonds.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 7. Long-Term Liabilities (Continued)

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Interest Rate	Series 2018		
		Principal	Interest	Total
2025	4.00	\$ 2,740,000	\$ 458,600	\$ 3,198,600
2026	4.00	2,195,000	359,900	2,554,900
2027	4.00	2,540,000	265,200	2,805,200
2028	4.00	3,265,000	149,100	3,414,100
2029	4.00	2,095,000	41,900	2,136,900
Total		\$ 12,835,000	\$ 1,274,700	\$ 14,109,700

General Obligation School Bonds (Alternative Revenue Source), Series 2020: In June 2020, the District issued \$14,700,000 General Obligation School Bonds (Alternate Revenue Source), Series 2020 for improvements to school facilities. The bonds have an interest rate from 4.00%-5.00%. Principal is payable December 1 and interest is payable semiannually each June 1 and December 1 until maturity on December 1, 2034. The Board adopted a resolution authorizing the issuance of alternate bonds, being general obligation bonds payable from collections distributed to the District from taxes imposed by the County pursuant to the County School Facility Occupation Tax Law of the State of Illinois. The bonds are general obligation of the District and are subject to payment from ad valorem property taxes in the event the pledged revenues are not sufficient. The total remaining principal and interest to be paid on the bonds as of June 30, 2024 is \$15,241,125. During the year ended June 30, 2024, \$785,000 of principal and \$601,950 of interest was paid on the bonds. The pledged county school facility occupation tax revenues were \$4,441,877 for the year ended June 30, 2024. The pledge of county school facility occupation tax revenues constitutes approximately 40% of annual combined county school facility occupation tax. The resolution providing for the issuance of the revenue bonds included the provision that pledged revenues of 1.25 times debt service shall be deposited into the pledged tax account. The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Interest Rate	Series 2020		
		Principal	Interest	Total
2025	4.00	\$ 820,000	\$ 565,750	\$ 1,385,750
2026	4.00	860,000	523,750	1,383,750
2027	4.00	905,000	479,625	1,384,625
2028	4.00	955,000	433,125	1,388,125
2029	4.00	1,000,000	384,250	1,384,250
2030-2034	4.00	5,835,000	1,095,875	6,930,875
2035	4.00	1,350,000	33,750	1,383,750
Total		\$ 11,725,000	\$ 3,516,125	\$ 15,241,125

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 7. Long-Term Liabilities (Continued)

General Obligation School Bonds (Alternative Revenue Source), Series 2022: In November 2022, the District issued \$19,400,000 General Obligation School Bonds (Alternate Revenue Source), Series 2022 for building and equipping additions to and renovating, repairing and equipping schools buildings and facilities and improving school sites. The bonds have an interest rate from 4.00%-5.50%. Principal is payable December 1 and interest is payable semiannually each June 1 and December 1 until maturity on December 1, 2042. The Board adopted a resolution authorizing the issuance of alternate bonds, being general obligation bonds payable from collections distributed to the District from taxes imposed by the County pursuant to the County School Facility Occupation Tax Law of the State of Illinois. The bonds are general obligation of the District and are subject to payment from ad valorem property taxes in the event the pledged revenues are not sufficient. The total remaining principal and interest to be paid on the bonds as of June 30, 2024 is \$33,620,609. During the year ended June 30, 2024, \$165,000 of principal and \$1,020,863 of interest was paid on the bonds. The pledged county school facility occupation tax revenues were \$4,441,877 for the year ended June 30, 2024. The pledge of county school facility occupation tax revenues constitutes approximately 40% of annual combined county school facility occupation tax. The resolution providing for the issuance of the revenue bonds included the provision that pledged revenues of 1.25 times debt service shall be deposited into the pledged tax account.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Interest Rate	Series 2022		
		Principal	Interest	Total
2025	5.00	\$ 175,000	\$ 1,012,363	\$ 1,187,363
2026	5.00	185,000	1,003,363	1,188,363
2027	5.00	195,000	993,863	1,188,863
2028	5.00	200,000	983,988	1,183,988
2029	4.00	210,000	974,788	1,184,788
2030-2034	4.00-5.00	1,200,000	4,726,331	5,926,331
2035-2039	5.25-5.50	7,765,000	3,707,688	11,472,688
2040-2043	5.00-5.50	9,305,000	983,225	10,288,225
Total		\$ 19,235,000	\$ 14,385,609	\$ 33,620,609

Leases: The District has entered into various lease agreements for copiers and a postage machine. At June 30, 2024, the lease liability is \$130,544. The leases have an interest rate of 4%. The net book value of the right to use leased equipment is \$124,062. The future principal and interest lease payments as of June 30, 2024 are as follows:

Year ending June 30:	Right to Use Leased Equipment		
	Principal	Interest	Total
2025	\$ 85,926	\$ 3,654	\$ 89,580
2026	44,618	537	45,155
Total	\$ 130,544	\$ 4,191	\$ 134,735

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 7. Long-Term Liabilities (Continued)

Subscription Based Information Technology Liability: The District has entered into various subscription based information technology agreements for software programs. The agreements have an interest rate of 4.00% and final payment due on in fiscal year 2025. During the year ended June 30, 2024, principal and interest paid were \$37,082 and \$1,798 respectively. Future principal and interest payments as of June 30, 2024 are as follows:

<u>Year ending June 30:</u>	Total		
	Principal	Interest	Total
2025	\$ 22,064	\$ 603	\$ 22,667

The District's legal debt margin is as follows:

Assessed valuation	\$ 704,824,764
Statutory debt limitation, 13.8% of assessed valuation	\$ 97,265,817
Less indebtedness:	
General obligation bonds	43,795,000
Lease obligations	130,544
IT subscriptions	22,064
Total indebtedness	<u>43,947,608</u>
Unused legal debt margin	<u>\$ 53,318,209</u>

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 8. Interfund Balances and Interfund Transfers

The individual interfund receivables and payables as of June 30, 2024 are as follows:

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

	Due From Other Funds	Due To Other Funds
Major fund:		
General Fund	\$ 29,457	\$ 7
Nonmajor funds:		
Municipal Retirement Fund	7	-
Health Insurance Fund	-	29,457
	<u>\$ 29,464</u>	<u>\$ 29,464</u>

Interfund receivables and payables will be liquidated within one year.

The detail of interfund transfers for the year ended June 30, 2024 is as follows:

	In	Out
Major fund:		
General Fund	\$ 2,000,000	\$ 6,130,933
Capital Projects Fund	6,000,000	-
Nonmajor fund:		
Debt Service Fund	130,933	-
Transportation Fund	-	2,000,000
	<u>\$ 8,130,933</u>	<u>\$ 8,130,933</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. Transfers from the nonmajor Transportation fund to the Capital Projects Fund were for capital expenditures. The transfers from the General Fund to the Capital Projects Fund were transfers to fund capital improvements. The transfers from the General Fund to the Debt Service Fund are to make principal and interest payments on the District's lease obligations and IT subscription obligations.

Note 9. Other Postemployment Benefits (OPEB)

Rock Island-Milan School District #41 Postretirement Health Plan

Plan description: The District's defined benefit OPEB plan, Rock Island-Milan School District #41 Postretirement Health Plan (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. The Plan is a single employer defined benefit OPEB plan administered by the District.

Benefits provided: The Plan provides medical and prescription drug benefits to eligible active employees and retired employees and their eligible dependents. Qualified retirees are full-time salaried employees that are eligible to retire within a state retirement system. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75. The Plan does not issue a stand-alone financial report.

All employees are required to contribute the full premium in order to continue coverage at retirement.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Rock Island-Milan School District #41 Postretirement Health Plan (Continued)

The full monthly premium rates for the plan are as shown below:

Rate Tier	Main Plan
Single	\$ 681
Spouse	1,229

Employees covered by benefit terms: At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	6
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	583
	589

Total OPEB liability: The District's total OPEB liability of \$1,660,079 was measured as of June 30, 2024 and was determined by an actuarial valuation dated September 16, 2024.

Actuarial assumptions and other inputs: The total 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	3.0% per annum
Salary increases	4.0% per annum
Discount rate	4.21% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	6.00% per annum decreasing to an Ultimate rate of 4.5%

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index. Mortality rates were based on the PubT-2010 mortality table projected generationally with Scale MP-2020 and applied on a gender-specific basis. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period 2010– 2023.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Rock Island-Milan School District #41 Postretirement Health Plan (Continued)

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2023	\$ 1,306,581	\$ -	\$ 1,306,581
Changes for the year:			
Service cost	70,362	-	70,362
Interest	52,691	-	52,691
Changes of benefit terms	-	-	-
Differences between expected and actual experience	131,763	-	131,763
Changes in assumptions or other inputs	160,157	-	160,157
Benefit payments	(61,475)	-	(61,475)
Net changes	353,498	-	353,498
Balance at June 30, 2024	<u>\$ 1,660,079</u>	<u>\$ -</u>	<u>\$ 1,660,079</u>

There were no changes as a result of changes in benefit terms. Changes of assumptions or other inputs reflect a change in the discount rate from 4.13% per annum in 2023 to 4.21% per annum in 2024.

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 or 1 percentage point higher than the current discount rate:

	1% Decrease 3.21%	Discount Rate 4.21%	1% Increase 5.21%
Total OPEB liability	\$ 1,771,601	\$ 1,660,079	\$ 1,554,676

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents that 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 or 1-percentage point higher than the current healthcare cost trend rates.

	Healthcare Cost Trend Rates		
	1% Decrease 5.00%	6.00%	1% Increase 7.00%
Total OPEB liability	\$ 1,511,363	\$ 1,660,079	\$ 1,829,890

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Rock Island-Milan School District #41 Postretirement Health Plan (Continued)

For the year ended June 30, 2024, the District recognized OPEB expense of \$89,366. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 119,455	\$ 155,158
Changes of assumptions or other inputs	296,234	280,294
Net difference between projected and actual investments	-	-
Total	\$ 415,689	\$ 435,452

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

	Net Deferred Inflows of Resources
Year ended June 30:	
2025	\$ (33,688)
2026	(33,688)
2027	(22,056)
2028	4,559
2029	3,892
Thereafter	61,218
	\$ (19,763)

Illinois Teachers' Health Insurance Security ("THIS") Fund

Plan description: The District participates in the Teachers' Health Insurance Security Fund, a cost-sharing, multiple-employer defined benefit postemployment health care plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago.

Benefits provided: 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. Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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.

Contributions: The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State of 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.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Illinois Teachers' Health Insurance Security ("THIS") Fund (Continued)

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

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 percent of pay during the year ended June 30, 2024. State of Illinois contributions were \$425,174, and the District recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2023 and 2022 was 0.90 percent of pay. State contributions on behalf of District employees were \$409,735 and \$391,228, respectively.

Employer contributions to the THIS Fund: The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.67 percent during the year ended June 30, 2024 and 0.67, percent during years ended June 30, 2023 and 2022. For the year ended June 30, 2024, the District paid \$316,518 to the THIS Fund. For the years ended June 30, 2023 and 2022, the District paid \$305,025 and \$291,248 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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

Total OPEB liability: At June 30, 2024, the District reported a liability of \$11,602,490 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2023, the District's proportion was 0.1627880 percent which is an increase of 0.005228 from the District's proportion in the prior year.

For the year ended June 30, 2024, the District recognized OPEB expense of \$4,557,091. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,479,074
Changes of assumptions	153,787	22,805,169
Net difference between projected and actual earnings on OPEB plan investments	4,618	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,198,008	114,709
District contributions subsequent to the measurement date	316,518	-
Total	\$ 2,672,931	\$ 29,398,952

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Illinois Teachers' Health Insurance Security ("THIS") Fund (Continued)

\$316,518 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Net Deferred Inflows of Resources
2025	\$ (5,211,088)
2026	(4,637,761)
2027	(4,486,810)
2028	(4,428,567)
2029	(4,075,340)
Thereafter	(4,202,973)
	<u>\$ (27,042,539)</u>

Actuarial assumptions: The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25% per annum
Salary increases	Depends on service and ranges from 8.50% at one year of service to 3.50% at 20 or more years of service.
Discount rate	3.86% per annum
Health care cost trend rate	Trend starts at 8.00% for plan year 2025 and decrease gradually to an ultimate rate of 4.25% in 2040.

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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Illinois Teachers' Health Insurance Security ("THIS") Fund (Continued)

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since Teacher Retirement Insurance Program (TRIP) is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.86% as of June 30, 2023, and 3.69% as of June 30, 2022. The increase in the single discount rate from 3.69% to 3.86% caused the total OPEB liability to decrease by approximately \$137 million from 2022 to 2023.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the members' attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

During plan year ended June 30, 2023, the trust earned \$2,704,000 in interest, and the market value of assets at June 30, 2023, was \$472.25 million. The long-term investment return was assumed to be 2.75 percent.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate:

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

	1% Decrease	Discount Rate	1% Increase
	2.86%	3.86%	4.86%
Total OPEB liability	\$ 12,955,415	\$ 11,602,490	\$ 10,408,947

Sensitivity of the District's proportional share of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1-percentage point higher than the current healthcare cost trend rates.

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	7.00%	8.00%	9.00%
	decreasing to	decreasing to	decreasing to
	3.25%	4.25%	5.25%
Total OPEB liability	\$ 9,875,344	\$ 11,602,490	\$ 13,718,465

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Illinois Teachers' Health Insurance Security ("THIS") Fund (Continued)

Payables to THIS – At June 30, 2024, the District reported payables to THIS of \$0 for legally required District contributions and \$0 for legally required employee contributions withheld from employee wages which had not yet been remitted to THIS.

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued THIS financial report. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditorillinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Summary information of all other postemployment benefit plans as of June 30, 2024 is as follows:

	<u>Governmental Activities</u>
	District Plan
Total OPEB liability	\$ 1,660,079
Deferred outflows of resources related to OPEB	415,689
Deferred inflows of resources related to OPEB	435,452
OPEB expense	89,366
	THIS
Total OPEB liability	\$ 11,602,490
Deferred outflows of resources related to OPEB	2,672,931
Deferred inflows of resources related to OPEB	29,398,952
OPEB expense	4,557,091
	Total
Total OPEB liability	\$ 13,262,569
Deferred outflows of resources related to OPEB	3,088,620
Deferred inflows of resources related to OPEB	29,834,404
OPEB expense	4,646,457

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 10. Employee Retirement Systems and Pension Plans

Rock Island - Milan School District #41 participates in two retirement systems: the Illinois Municipal Retirement Fund (IMRF) and the Teachers' Retirement System of the State of Illinois (TRS). Members of TRS consist of all full-time teachers and teachers employed on a part-time basis in positions where services are expected to be rendered for a full and complete school term. Employees, other than teachers, who meet prescribed annual hourly standards, are members of IMRF. Pension liabilities are generally liquidated by the Municipal Retirement nonmajor special revenue fund and the General Fund.

Illinois Municipal Retirement Fund

Plan administration - The District's defined benefit pension plan for employees provides retirement and disability benefits, post retirement increases and death benefits to plan members and beneficiaries. The District plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer public pension plan. Benefit and contribution 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, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report may be obtained on-line at www.imrf.org. The IMRF actuarial valuation date is December 31, 2023 and the measurement date is December 31, 2023.

IMRF is administered in accordance with Illinois statutes. The statutes do not provide for termination of the plan under any circumstances.

Plan membership - All counties and school districts, plus cities and villages and incorporated towns with a population of 5,000 or more (except certain governmental entities specifically excluded by the Pension Code) are required to participate. Other local government units may elect to participate. All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. Elected officials and hospital employees who satisfy requirements may also participate.

As of December 31, 2023, the District's pension plan membership consisted of the following:

Retirees and beneficiaries	377
Inactive, non-retired plan members	439
Active plan members	<u>375</u>
Total	<u><u>1,191</u></u>

Benefits provided- The IMRF Plan provides retirement benefits, as well as death and disability benefits. A complete description of IMRF benefits is found in Article 7 of the Illinois Pension Code. IMRF has three benefit plans. The vast majority of IMRF members, including the District, participate in the Regular Plan (RP). IMRF benefit plans have two tiers.

Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 Tier 1, the pension is increased by 3 percent of the original amount on January 1 every year after retirement.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 10. Employee Retirement Systems and Pension Plans (Continued)

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of 3 percent of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Contributions – As set by statute, the District’s Regular Plan members are required to contribute 4.5 percent of the covered payroll. The statutes require each participating employer to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. Employer contributions for disability benefits, death benefits and the supplemental retirement benefits are pooled. 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. Costs of administering the plan are financed by investment income. Contributions are based on employer payrolls and are due on the tenth of the month following the month of payment pursuant to the authority vested in the IMRF Board by the Illinois Pension Code. For the year ended June 30, 2024, the District contributed \$981,961 to the plan.

Net Pension Liability of the District – The District’s net pension liability was measured as of December 31, 2023, and the total net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases, including inflation	2.75 % to 13.75%
Investment rate of return, including inflation, and net of investment expense	7.25%

Mortality rates were based on Pub-2010, amount-weighted, below-median income, general, retiree, male (adjusted 106%) and female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.

For disabled retirees, mortality rates were based on Pub-2010, amount-weighted, below-median income, general, disabled retiree, male and female (both unadjusted) tables, and future mortality improvements projects using scale MP-2020.

For active members, mortality rates were based on Pub-2010, amount-weighted, below-median income, general, employee, male and female (both unadjusted) tables, and future morality improvements projected using scale MP-2020.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 10. Employee Retirement Systems and Pension Plans (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023 are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	34.5%	5.00%
International Equities	18.0%	6.35%
Fixed Income	24.5%	4.75%
Real Estate	10.5%	6.30%
Alternatives	11.5%	6.05-8.65%
Cash equivalents	1.0%	3.80%
Total	100.0%	

Discount rate: A single discount rate (SDR) of 7.25 percent was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects (1) the long-term expected rate of return on the pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met.)

For the purpose of the District's valuation, the expected rate of return on pension plan investments is 7.25 percent, the municipal bond rate is 3.77 percent and the resulting SDR is 7.25 percent.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 10. Employee Retirement Systems and Pension Plans (Continued)

Changes in the Net Pension Liability (Asset): The following table presents the changes in the net pension liability (asset):

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2023	\$ 66,937,336	\$ 60,304,646	\$ 6,632,690
Changes for the year:			
Service cost	1,236,196	-	1,236,196
Interest	4,765,244	-	4,765,244
Differences between expected and actual experience	689,622	-	689,622
Changes of assumptions	(38,117)	-	(38,117)
Contributions-employer	-	978,072	(978,072)
Contributions-employee	-	639,501	(639,501)
Net investment income	-	6,644,398	(6,644,398)
Benefit payments, including refunds of employee contributions	(3,655,871)	(3,655,871)	-
Other	-	1,665,877	(1,665,877)
Net changes	2,997,074	6,271,977	(3,274,903)
Balance, June 30, 2024	\$ 69,934,410	\$ 66,576,623	\$ 3,357,787

Sensitivity to the net pension liability to changes in the discount rate: The following presents the net pension liability of the District, calculated using the discount rate of 7.25 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's net pension liability (asset)	\$ 10,922,144	\$ 3,357,787	\$ (2,765,479)

Pension plan fiduciary net position: Detailed information about the IMRF pension plan's fiduciary net position is available in the separately issued IMRF financial report.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 10. Employee Retirement Systems and Pension Plans (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2024, the District's pension (revenue) is (\$1,356,992) and the deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 464,931	\$ 13,881
Changes in assumptions	-	25,698
Net difference between projected and actual earnings on pension plan investments	3,364,279	-
District contributions subsequent to measurement date	482,568	-
Total	\$ 4,311,778	\$ 39,579

\$482,658 reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the IMRF pension will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2025	\$ 519,808
2026	1,336,596
2027	2,390,390
2028	(457,163)
2029	-
Thereafter	-
Total	\$ 3,789,631

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 10. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Retirement System of the State of Illinois

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 non-annuitants 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 www.trsil.org/financial/acfrs/fy2023; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

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 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

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 percent 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 three percent 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 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 10. Employee Retirement Systems and Pension Plans (Continued)

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, 2023, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On behalf contributions to TRS: The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2024, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective NPL associated with the employer, and the employer recognized revenue and expenditures of \$26,837,668 in pension contributions from the state of Illinois.

2.2 formula contributions: Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2024, were \$274,050 and are deferred because they were paid after the June 30, 2023 measurement date.

Federal and special trust fund contributions: When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer 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 employer 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 higher.

For the year ended June 30, 2024, the employer pension contribution was 10.60 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2024, salaries totaling \$1,426,161 were paid from federal and special trust funds that required employer contributions of \$151,173. These contributions are deferred because they were paid after the June 30, 2023 measurement date.

Employer retirement cost contributions: Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2024, the employer paid \$678 to TRS for employer contributions due on salary increases in excess of 6 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 10. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2023, the employer 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 employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer 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 employer follows below:

Employer's proportionate share of the net pension liability	\$ 3,690,730
State's proportionate share of the net pension liability associated with the employer	<u>318,511,895</u>
Total	<u>\$ 322,202,625</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2023, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2023, the employer's proportion was .0043430278 percent, which was an increase of .0000933750 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the employer recognized pension expense of \$596,984 and revenue of \$26,837,668 for support provided by the state. At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,342	\$ 14,878
Changes of assumptions	12,589	3,247
Net difference between projected and actual earnings on pension plan investments	-	106
Changes in proportion and differences between District contributions and proportionate share of contributions	64,299	331,699
District contributions subsequent to the measurement date	424,671	-
Total	<u>\$ 516,901</u>	<u>\$ 349,930</u>

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 10. Employee Retirement Systems and Pension Plans (Continued)

\$424,671 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ended June 30,	
2025	\$ (131,313)
2026	(115,587)
2027	(10,577)
2028	(10,495)
2029	10,272
Total	\$ (257,700)

Actuarial assumptions: The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation	2.50 percent
Salary Increases	2.75% to 13.75%
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 2023 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 MP-2020. In the June 30, 2021 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using the projection table MP-2020.

The long-term (20-year) 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.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 10. Employee Retirement Systems and Pension Plans (Continued)

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	Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	37.0%	5.35%
Private equity	15.0%	8.03%
Income	26.0%	4.32%
Real assets	18.0%	4.60%
Diversifying strategies	4.0%	3.40%
Total	100.0%	

Discount rate: At June 30, 2023, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2022 rate. 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, 2023 was projected to be available to make all projected future benefit payments to 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.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate: The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer'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 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 4,542,769	\$ 3,690,730	\$ 2,983,628

TRS fiduciary net position - Detailed information about the TRS's fiduciary net position as of June 30, 2023 is available in the separately issued TRS *Annual Comprehensive Financial Report*.

Payables to TRS - At June 30, 2024, the District reported payables to TRS of \$0 for legally required District contributions and \$0 for legally required employee contributions withheld from employee wages which had not yet been remitted to TRS.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 10. Employee Retirement Systems and Pension Plans (Continued)

Summary information of all pension plans as of June 30, 2024 is as follows:

	<u>Governmental Activities</u>
	IMRF
Net pension liability	\$ 3,357,787
Deferred outflows of resources related to pensions	4,311,778
Deferred inflows of resources related to pensions	39,579
Pension expense (income)	(1,356,992)
	TRS
Net pension liability	\$ 3,690,730
Deferred outflows of resources related to pensions	516,901
Deferred inflows of resources related to pensions	349,930
Pension expense	596,984
	Total
Net pension liability	\$ 7,048,517
Deferred outflows of resources related to pensions	4,828,679
Deferred inflows of resources related to pensions	389,509
Pension expense (income)	(760,008)

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 11. Risk Management

The District has a self-funded health insurance plan. The District purchases commercial insurance to provide for aggregate stop-loss coverage for the excess of 125% of estimated claims for the plan year and specific stop-loss reinsurance coverage for the excess of \$140,000 in insured claims for any one covered individual. Settled claims have not exceeded the aggregate stop-loss coverage for the past three fiscal years.

Payments are made to the plan based on actuarial estimates of amounts needed to pay prior and current year claims and to establish a reserve for incurred but unpaid claims. Changes in the claims liability amounts for the years ended June 30, 2024 and 2023 were as follows:

Self-Insurance Liability	Beginning	Claims and Changes in Estimates	Claim Payments	Ending
2023	\$ 906,627	\$ 9,220,731	\$ 8,736,936	\$ 1,390,422
2024	1,390,422	9,326,477	9,225,117	1,491,782

The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the year ended June 30, 2024, these risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There has been no reduction in insurance coverage from the prior year.

Note 12. Contingencies and Commitments

The District has consulted legal counsel in the course of operations for various matters. In the opinion of District management, the resolution of these matters will not have a material adverse effect on the future financial statements of the District.

Purchase Commitments: The District has contracts totaling \$35,298,308 that are partially complete as of June 30, 2024. The total amount to be paid on these contracts upon completion is \$4,890,446. The work is on the administration center, Rock Island High School renovations, HVAC upgrades, and the district-wide paving projects.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 13. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The details for the District’s fund balance are the following:

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted				
Student transportation	\$ -	\$ -	\$ 2,217,449	\$ 2,217,449
Pension contributions	-	-	2,997,004	2,997,004
Safety and security	-	-	1,594,627	1,594,627
Capital improvements	-	13,391,935	172,388	13,564,323
Debt service	-	-	1,472,173	1,472,173
Student activities	-	-	561,668	561,668
Total restricted	-	13,391,935	9,015,309	22,407,244
Unassigned	50,876,624	-	-	50,876,624
Total fund balances	\$ 50,876,624	\$ 13,391,935	\$ 9,015,309	\$ 73,283,868

Note 14. Tax Abatements

The Illinois General Assembly adopted the Tax Increment Allocation Redevelopment Act (TIF Act) in 1977 (65 ILCS 5/11-74.4-1 through 11-74.4-11). Cities, towns and villages may create tax increment financing districts. Tax increment financing is a method of reallocating property tax revenue which are produced as a result of an increase in taxable valuation above a “base valuation” figure within a tax increment district to the city, town or village that created the district for the purpose of economic development.

The District is comprised of students from municipalities in Rock Island County. As a result, the District has forgone the following revenues during the year ended June 30, 2024 and will forgo the following during the year ended June 30, 2024:

County	2024	2025
Rock Island	\$ 2,751,442	\$ 3,116,295

For the year ended June 30, 2024, the District received \$397,393 of surplus distributions from TIF districts.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 14. Tax Abatements (Continued)

The District partnered with the Village of Milan, Illinois to create a New Housing Construction Property Tax Rebate Program to promote new single-family homes and condominium construction. The program is available to the owner occupant of newly built single-family homes or condominiums in the Village of Milan, Illinois under certain conditions to stimulate economic development. The property owners pay property taxes as they become due, and after meeting the criteria established in the program, are entitled to a reimbursement that directly correlates to the taxes paid. The rebates are calculated based on the portion of the taxes related to the improved property for a specified time period based on the specific program. The District made no payments on this program for the year ended June 30, 2024.

Note 15. Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statement during the year ended June 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62*, issued June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The above statement did not have a material impact on the District's Financial Statements.

As of June 30, 2024, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 101, *Compensated Absences*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (As long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

Rock Island - Milan School District #41

Notes to Basic Financial Statements

Note 15. Governmental Accounting Standards Board (GASB) Statements

(Continued)

GASB Statement No. 102, *Certain Risk Disclosures*, issued December 2023, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should provide information in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint. The disclosures should include descriptions of the following: (a) The concentration or constraint (b) Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (c) Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

GASB Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

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Rock Island-Milan School District #41

**Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes	\$ 27,403,396	\$ 27,403,396	\$ 27,291,412	\$ (111,984)
Intergovernmental, including \$27,262,842				
TRS and THIS on-behalf payments	63,794,957	63,794,957	88,616,213	24,821,256
Interest	975,100	975,100	2,035,992	1,060,892
Other, primarily fees	1,407,056	1,407,056	1,609,116	202,060
Total revenues	93,580,509	93,580,509	119,552,733	25,972,224
Expenditures:				
Operating:				
Instruction	54,819,393	54,519,393	79,342,251	(24,822,858)
Support services	28,760,809	29,210,809	28,007,195	1,203,614
Community services	5,562,411	5,562,411	4,882,653	679,758
Intergovernmental	2,576,328	2,576,328	2,619,653	(43,325)
Capital projects	3,036,096	2,886,096	2,095,650	790,446
Total expenditures	94,755,037	94,755,037	116,947,402	(22,192,365)
Excess (deficiency) of revenues over (under) expenditures	(1,174,528)	(1,174,528)	2,605,331	3,779,859
Other financing sources (uses):				
Issuance of long term debt	-	-	14,189	14,189
Transfer in	-	2,000,000	2,000,000	-
Transfer (out)	-	(6,087,616)	(6,130,933)	(43,317)
	-	(4,087,616)	(4,116,744)	(29,128)
Net change in fund balance	\$ (1,174,528)	\$ (5,262,144)	\$ (1,511,413)	\$ 3,750,731
Fund balance, beginning of year			52,388,037	
Fund balance, end of year			<u>\$ 50,876,624</u>	

See Note to Required Supplementary Information.

Rock Island-Milan School District #41

**Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Teachers' Retirement System of the State of Illinois
 Last Ten Fiscal Years**

	2024*	2023*	2022*	2021*
District's proportion of the net pension liability	0.0043430278%	0.0042496528%	0.0046613931%	0.0047628346%
District's proportionate share of the net pension liability	\$ 3,690,730	\$ 3,562,923	\$ 3,636,413	\$ 4,106,290
State's proportionate share of the net pension liability	318,511,895	309,059,975	304,770,060	321,625,969
Total	<u>\$ 322,202,625</u>	<u>\$ 312,622,898</u>	<u>\$ 308,406,473</u>	<u>\$ 325,732,259</u>
District's covered valuation payroll	\$ 45,526,121	\$ 43,469,863	\$ 41,620,501	\$ 40,038,588
District's proportionate share of the net pension liability as a percentage of its covered-valuation payroll	8.11%	8.20%	8.74%	10.26%
Plan fiduciary net pension as a percentage of the total pension liability	43.90%	42.80%	45.10%	37.80%

* The amounts presented for each fiscal year were determined as of the prior fiscal-year end.

Note 1: Changes of assumptions

For the 2022-2023 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated Sept. 30, 2021.

For the 2021-2018 measurement years, the assumed investment rate of return was 7.0, including an inflation rate of 2.50 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit.

The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

For the 2015 measurement year, the assumed reate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adoted based on the experience analysis for the three-year period ending June 30, 2014.

2020*	2019*	2018*	2017*	2016*	2015*
0.0049990252%	0.0054394244%	0.0200233607%	0.0282596168%	0.0298709307%	0.0265901944%
\$ 4,054,618	\$ 4,239,750	\$ 15,297,476	\$ 22,307,024	\$ 19,568,469	\$ 16,182,333
288,562,713	290,440,677	258,045,514	282,499,962	231,074,416	215,304,298
\$ 292,617,331	\$ 294,680,427	\$ 273,342,990	\$ 304,806,986	\$ 250,642,885	\$ 231,486,631
\$ 39,032,960	\$ 37,544,328	\$ 36,286,278	\$ 35,785,101	\$ 35,478,330	\$ 34,911,000
10.39%	11.29%	42.16%	62.34%	55.16%	46.35%
39.60%	40.00%	39.30%	36.40%	41.50%	43.00%

Rock Island-Milan School District #41

**Required Supplementary Information
Schedule of District Contributions (in Thousands)
Teachers' Retirement System of the State of Illinois
Last Ten Fiscal Years**

	2024	2023	2022	2021
Statutorily required contribution	\$ 425	\$ 411	\$ 394	\$ 360
Contributions in relation to the statutorily required contribution	(425)	(411)	(394)	(360)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered valuation payroll	\$ 47,241	\$ 45,526	\$ 43,469	\$ 41,621
Contributions as a percentage of covered valuation payroll	0.90%	0.90%	0.91%	0.86%

NOTE: Contributions in relation to the statutorily required contribution only include contributions required by the state of Illinois. Fluctuations from 2018 to 2019 are the result of the percentage of salaries charged to federal programs.

2020	2019	2018	2017	2016	2015
\$ 324	\$ 340	\$ 334	\$ 825	\$ 1,105	\$ 1,047
(324)	(340)	(335)	(825)	(1,109)	(1,058)
\$ -	\$ -	\$ (1)	\$ -	\$ (4)	\$ (11)
\$ 40,038	\$ 39,033	\$ 37,544	\$ 36,286	\$ 35,785	\$ 35,478
0.81%	0.87%	0.89%	2.27%	3.09%	2.95%

Rock Island-Milan School District #41

**Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Illinois Municipal Retirement Plan
Last Ten Fiscal Years**

	December 31 2023	December 31 2022	December 31 2021	December 31 2020
Total pension liability				
Service cost	\$ 1,236,196	\$ 1,167,683	\$ 1,118,773	\$ 1,189,583
Interest	4,765,244	4,605,658	4,463,374	4,342,402
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	689,622	(10,909)	(204,914)	(4,192)
Changes of assumptions	(38,117)	-	-	(510,893)
Benefit payments, including refunds of member contributions	(3,655,871)	(3,535,151)	(3,343,129)	(3,282,722)
Net change in total pension liability	2,997,074	2,227,281	2,034,104	1,734,178
Total pension liability - beginning	66,937,336	64,710,055	62,675,951	60,941,773
Total pension liability - ending (a)	<u>\$ 69,934,410</u>	<u>\$ 66,937,336</u>	<u>\$ 64,710,055</u>	<u>\$ 62,675,951</u>
Plan fiduciary net position				
Contributions - employer	\$ 978,072	\$ 1,127,712	\$ 1,326,917	\$ 1,293,085
Contributions - member	639,501	584,334	557,464	525,697
Net investment income	6,644,398	(9,060,798)	10,749,818	8,078,514
Benefit payments, including refunds of member contributions	(3,655,871)	(3,535,151)	(3,343,129)	(3,282,722)
Administrative expense	-	-	-	-
Other	1,665,877	(232,582)	(1,190,504)	(64,351)
Net change in plan fiduciary net position	6,271,977	(11,116,485)	8,100,566	6,550,223
Plan fiduciary net position - beginning	60,304,646	71,421,131	63,320,565	56,770,342
Plan fiduciary net position - ending (b)	<u>\$ 66,576,623</u>	<u>\$ 60,304,646</u>	<u>\$ 71,421,131</u>	<u>\$ 63,320,565</u>
Net pension liability - ending (a)-(b)	<u>\$ 3,357,787</u>	<u>\$ 6,632,690</u>	<u>\$ (6,711,076)</u>	<u>\$ (644,614)</u>
Plan fiduciary net position as a percentage of total pension liability	95.20%	90.09%	110.37%	101.03%
Covered valuation payroll	\$ 13,972,476	\$ 12,800,367	\$ 12,270,650	\$ 11,610,460
Net pension liability as a percentage of covered valuation payroll	24.03%	51.82%	-54.69%	-5.55%

December 31 2019	December 31 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014
\$ 1,169,368	\$ 1,103,612	\$ 1,138,596	\$ 1,143,081	\$ 1,102,222	\$ 1,198,816
4,197,016	4,036,864	3,983,143	3,841,148	3,617,178	3,326,357
-	-	-	-	-	-
(230,260)	141,511	(22,016)	(566,178)	638,311	(390,119)
-	1,609,332	(1,709,709)	(192,369)	124,791	1,992,912
(2,999,099)	(2,719,247)	(2,593,237)	(2,478,478)	(2,272,261)	(2,003,051)
2,137,025	4,172,072	796,777	1,747,204	3,210,241	4,124,915
58,804,748	54,632,676	53,835,899	52,088,695	48,878,454	44,753,539
\$ 60,941,773	\$ 58,804,748	\$ 54,632,676	\$ 53,835,899	\$ 52,088,695	\$ 48,878,454
\$ 1,065,401	\$ 1,255,616	\$ 1,240,223	\$ 1,220,560	\$ 1,190,216	\$ 1,176,743
512,724	506,089	512,340	476,188	466,220	442,594
9,137,816	(2,793,228)	8,177,478	3,051,121	221,639	2,589,405
(2,999,099)	(2,719,247)	(2,593,237)	(2,478,478)	(2,272,261)	(2,003,051)
-	-	-	-	-	-
(268,067)	518,446	(1,085,195)	(423,253)	214,612	(211,096)
7,448,775	(3,232,324)	6,251,609	1,846,138	(179,574)	1,994,595
49,321,567	52,553,891	46,302,282	44,456,144	44,635,718	42,641,123
\$ 56,770,342	\$ 49,321,567	\$ 52,553,891	\$ 46,302,282	\$ 44,456,144	\$ 44,635,718
\$ 4,171,431	\$ 9,483,181	\$ 2,078,785	\$ 7,533,617	\$ 7,632,551	\$ 4,242,736
93.16%	83.87%	96.19%	86.01%	85.35%	91.32%
\$ 11,275,431	\$ 11,014,174	\$ 10,850,592	\$ 10,370,093	\$ 10,198,945	\$ 9,603,715
37.00%	86.10%	19.16%	72.65%	74.84%	44.18%

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Rock Island-Milan School District #41

**Required Supplementary Information
Schedule of Contributions
Illinois Municipal Retirement Plan
Last Ten Fiscal Years**

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 1,150,525	\$ 1,176,743	\$ (26,218)	\$ 9,994,971	11.77%
2016	1,190,217	1,190,216	1	10,252,908	11.61%
2017	1,220,560	1,220,560	-	10,674,436	11.43%
2018	1,240,223	1,240,223	-	10,947,105	11.33%
2019	1,255,616	1,255,616	-	11,023,310	11.39%
2020	1,056,508	1,065,401	(8,893)	11,578,972	9.20%
2021	1,293,405	1,293,085	320	11,902,717	10.86%
2022	1,317,868	1,326,917	(9,049)	12,243,028	10.84%
2023	1,070,051	1,070,051	-	13,558,097	7.89%
2024	981,961	981,961	-	13,972,476	7.03%

Notes to Schedule:

Valuation date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 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	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, ECO): 21-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; one employer was financed over 21 years; three employers were financed over 24 years; four employers were financed over 25 years and one employer was financed over 26 years).
Asset valuation method	5-Year smoothed market; 20% corridor
Wage growth	2.75%
Price 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. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. 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-2020. 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-2020.
Other:	There were no benefit changes during the year.

Rock Island-Milan School District #41

**Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net OPEB Liability
 Teachers' Health Insurance Security Fund
 Last Eight Fiscal Years**

	2024*	2023*	2022*
District's proportion of the net OPEB liability	0.162788%	0.157560%	0.161767%
District's proportionate share of the net OPEB liability	\$ 11,602,490	\$ 10,784,506	\$ 35,678,388
State's proportionate share of the net OPEB liability	15,690,263	14,671,259	48,374,687
Total	<u>\$ 27,292,753</u>	<u>\$ 25,455,765</u>	<u>\$ 84,053,075</u>
District's covered payroll	\$ 45,526,121	\$ 43,469,863	\$ 41,620,501
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	25.49%	24.81%	85.72%
Plan fiduciary net OPEB as a percentage of the total OPEB liability	0.25%	0.25%	0.25%

* The amounts presented for each fiscal year were determined as of the prior fiscal-year end.

Note 1: GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Note 2: Changes of assumptions

Changes of assumptions or other inputs reflects a change in discount rate. The following are the discount rates used in each year: 3.86% 3.69% 1.92%

	2021*	2020*	2019*	2018*	2017*
	0.158238%	0.158801%	0.158310%	0.157753%	0.153644%
\$	42,306,451	\$ 43,951,953	\$ 41,708,041	\$ 40,936,321	\$ 41,999,804
	24,339,806	25,281,854	23,905,338	25,054,257	24,401,778
\$	66,646,257	\$ 69,233,807	\$ 65,613,379	\$ 65,990,578	\$ 66,401,582
\$	40,038,588	\$ 39,032,960	\$ 37,544,318	\$ 36,286,278	\$ 35,785,101
	105.66%	112.60%	111.09%	112.81%	117.37%
	0.25%	0.25%	-0.07%	-0.17%	-0.17%
	2.45%	n/a	n/a	n/a	n/a

Rock Island-Milan School District #41

**Required Supplementary Information
Schedule of District Contributions
Teachers' Health Insurance Security Fund
Last Ten Fiscal Years**

	2024	2023	2022	2021
Statutorily required contribution	\$ 316,518	\$ 305,025	\$ 291,248	\$ 382,909
Contributions in relation to the statutorily required contribution	(316,518)	(305,025)	(291,248)	(382,909)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 47,241,540	\$ 45,526,121	\$ 43,469,863	\$ 41,620,501
Contributions as a percentage of covered payroll	0.67%	0.67%	0.67%	0.92%

Note 1: Contributions in relation to the statutorily required contribution only include contributions required by the state of Illinois.

2020	2019	2018	2017	2016	2015
\$ 368,355	\$ 359,103	\$ 330,390	\$ 304,840	\$ 286,290	\$ 269,635
(368,355)	(359,103)	(330,390)	(304,840)	(286,290)	(269,635)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 40,038,588	\$ 39,032,960	\$ 37,544,318	\$ 36,286,278	\$ 35,785,101	\$ 35,478,289
0.92%	0.92%	0.88%	0.84%	0.80%	0.76%

Rock Island-Milan School District No. 41

**Required Supplementary Information
Schedule of Changes in the District's Total OPEB
Liability and Related Ratios
Last Seven Fiscal Years**

	2024	2023	2022
Total OPEB liability			
Changes for the year:			
Service cost	\$ 70,362	\$ 51,961	\$ 70,185
Interest	52,691	50,969	32,036
Changes of benefit terms	-	-	-
Differences between expected and actual experience	131,763	-	(55,277)
Changes in assumptions or other inputs	160,157	(3,309)	(204,789)
Benefit payments	(61,475)	(78,432)	(52,579)
Net changes in total OPEB liability	353,498	21,189	(210,424)
Total OPEB liability - beginning	1,306,581	1,285,392	1,495,816
Total OPEB liability - ending	<u>\$ 1,660,079</u>	<u>\$ 1,306,581</u>	<u>\$ 1,285,392</u>
Covered employee payroll	\$ 39,161,878	\$ 38,656,242	\$ 37,209,865
Total OPEB liability as a percentage of covered employee payroll	4.2%	3.4%	3.5%

Notes to Schedule:

Changes of benefit terms:

There were no changes as a result of changes in benefit terms.

Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate.

The following are the discount rates used

in each period:	4.21%	4.13%	4.09%
-----------------	-------	-------	-------

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75

* The schedule is intended to present information for ten years.
Information prior to 2018 is not available.

	2021	2020	2019	2018
\$	76,920	\$ 76,414	\$ 69,498	\$ 67,704
	35,704	36,049	35,730	44,590
	-	-	-	-
	-	(76,826)	-	(264,654)
	50,927	32,003	11,204	(111,355)
	(19,920)	(15,080)	(31,605)	(26,810)
	143,631	52,560	84,827	(290,525)
	1,352,185	1,299,625	1,214,798	1,505,323
\$	1,495,816	\$ 1,352,185	\$ 1,299,625	\$ 1,214,798
\$	33,328,611	\$ 33,328,611	\$ 48,394,910	\$ 48,394,910
	4.5%	4.1%	2.7%	2.5%
	2.18%	2.66%	2.79%	2.98%

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Rock Island - Milan School District #41

Note to Required Supplementary Information

The District's Board of Education annually adopts a budget and approves the related appropriations for the General, special revenue, Debt Service and capital projects funds in accordance with provisions of Illinois Compiled Statutes. These budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. On-behalf payments made by the state of Illinois for the District are not budgeted for by the District as revenues and expenditures. These on-behalf payments were recorded in the General Fund in the amount of \$27,262,842 as of June 30, 2024 and resulted in the General Fund exceeding budget by \$22,192,365. In addition, the Debt Service Fund exceeded the final amended budget by \$46,235.

Legal spending control is established at the fund level, but management control is exercised at budgetary line item levels within each fund. The Board of Education may amend the budget after it is approved using the same procedures necessary to approve the original budget. Unexpended budgeted amounts lapse at year-end and are not available to finance expenditures of the following year.

The budget was passed on September 12, 2023. The amendment was passed on May 28, 2024.

Rock Island-Milan School District #41

**Balance Sheet - By Account
General Fund
June 30, 2024**

	Educational Account	Operations and Maintenance Account	Working Cash Account	Total
Assets				
Cash and investments	\$ 34,450,570	\$ 6,575,130	\$ 2,895,470	\$ 43,921,170
Receivables, net of allowances for uncollectible accounts:				
Property taxes	26,729,023	6,093,518	408,491	33,231,032
Corporate personal property replacement taxes	1,613,378	-	-	1,613,378
Other	5,810	15,426	-	21,236
Due from other governmental units	4,756,789	-	-	4,756,789
Due from other funds	76,891	-	-	76,891
Lease	-	194,285	-	194,285
Total assets	\$ 67,632,461	\$ 12,878,359	\$ 3,303,961	\$ 83,814,781
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts and contracts payable	\$ 357,776	\$ 546,579	\$ -	\$ 904,355
Accrued payroll and benefits	4,320,072	21,902	-	4,341,974
Due to other funds	7	47,434	-	47,441
Unearned revenue	67,239	-	-	67,239
Total liabilities	4,745,094	615,915	-	5,361,009
Deferred inflows of resources, Unavailable revenue:				
Property taxes	21,596,095	4,934,654	328,977	26,859,726
Intergovernmental	523,137	-	-	523,137
Lease	-	194,285	-	194,285
Total deferred inflows of resources	22,119,232	5,128,939	328,977	27,577,148
Fund balances:				
Unassigned	40,768,135	7,133,505	2,974,984	50,876,624
Total fund balances	40,768,135	7,133,505	2,974,984	50,876,624
Total liabilities, deferred inflows of resources and fund balances	\$ 67,632,461	\$ 12,878,359	\$ 3,303,961	\$ 83,814,781

Rock Island-Milan School District #41

**Schedule of Revenues, Expenditures and Changes in Fund Balances - By Account
General Fund
Year Ended June 30, 2024**

	Educational Account	Operations and Maintenance Account	Working Cash Account	Total
Revenues:				
Property taxes	\$ 22,010,921	\$ 4,950,459	\$ 330,032	\$ 27,291,412
Intergovernmental	85,866,213	2,750,000	-	88,616,213
Interest	1,709,130	326,032	830	2,035,992
Other, primarily fees	1,580,279	28,837	-	1,609,116
Total revenues	111,166,543	8,055,328	330,862	119,552,733
Expenditures:				
Current:				
Instruction	79,342,251	-	-	79,342,251
Support services	21,638,056	6,369,139	-	28,007,195
Community services	4,882,653	-	-	4,882,653
Intergovernmental	2,619,653	-	-	2,619,653
Capital outlay	750,038	1,345,612	-	2,095,650
Total expenditures	109,232,651	7,714,751	-	116,947,402
Excess of revenues over expenditures	1,933,892	340,577	330,862	2,605,331
Other financing sources (uses):				
Issuance of long term debt	14,189	-	-	14,189
Transfer in	2,000,000	-	-	2,000,000
Transfer out	(4,130,933)	(2,000,000)	-	(6,130,933)
Total other financing sources (uses)	(2,116,744)	(2,000,000)	-	(4,116,744)
Net change in fund balances	(182,852)	(1,659,423)	330,862	(1,511,413)
Fund balances, beginning of year	40,950,987	8,792,928	2,644,122	52,388,037
Fund balances, end of year	\$ 40,768,135	\$ 7,133,505	\$ 2,974,984	\$ 50,876,624

Rock Island-Milan School District #41

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - By Account - General Fund
Year Ended June 30, 2024**

	Educational Account	
	Budget	Actual
Revenues:		
Property taxes	\$ 22,139,635	\$ 22,010,921
Intergovernmental, including \$27,262,842 TRS and THIS on-behalf payments	61,044,957	85,866,213
Interest	800,000	1,709,130
Other, primarily fees	1,362,056	1,580,279
Total revenues	85,346,648	111,166,543
Expenditures:		
Operating:		
Instruction	54,519,393	79,342,251
Support services	22,254,633	21,638,056
Community services	5,562,411	4,882,653
Intergovernmental	2,576,328	2,619,653
Capital outlay	942,946	750,038
Total expenditures	85,855,711	109,232,651
Excess (deficiency) of revenues over (under) expenditures	(509,063)	1,933,892
Other financing sources (uses):		
Issuance of long term debt	-	14,189
Transfer in	2,000,000	2,000,000
Transfer (out)	(4,087,616)	(4,130,933)
Total other financing sources (uses)	(2,087,616)	(2,116,744)
Net change in fund balances	\$ (2,596,679)	(182,852)
Fund balance, beginning of year		40,950,987
Fund balance, end of year		\$ 40,768,135

Operations and Maintenance					
Account		Working Cash Account		Total	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 4,934,776	\$ 4,950,459	\$ 328,985	\$ 330,032	\$ 27,403,396	\$ 27,291,412
2,750,000	2,750,000	-	-	63,794,957	88,616,213
175,000	326,032	100	830	975,100	2,035,992
45,000	28,837	-	-	1,407,056	1,609,116
<u>7,904,776</u>	<u>8,055,328</u>	<u>329,085</u>	<u>330,862</u>	<u>93,580,509</u>	<u>119,552,733</u>
-	-	-	-	54,519,393	79,342,251
6,956,176	6,369,139	-	-	29,210,809	28,007,195
-	-	-	-	5,562,411	4,882,653
-	-	-	-	2,576,328	2,619,653
1,943,150	1,345,612	-	-	2,886,096	2,095,650
<u>8,899,326</u>	<u>7,714,751</u>	<u>-</u>	<u>-</u>	<u>94,755,037</u>	<u>116,947,402</u>
(994,550)	340,577	329,085	330,862	(1,174,528)	2,605,331
-	-	-	-	-	14,189
-	-	-	-	2,000,000	2,000,000
(2,000,000)	(2,000,000)	-	-	(6,087,616)	(6,130,933)
<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>	<u>(4,087,616)</u>	<u>(4,116,744)</u>
<u>\$ (2,994,550)</u>	<u>(1,659,423)</u>	<u>\$ 329,085</u>	<u>330,862</u>	<u>\$ (5,262,144)</u>	<u>(1,511,413)</u>
	8,792,928		2,644,122		52,388,037
	<u>\$ 7,133,505</u>		<u>\$ 2,974,984</u>		<u>\$ 50,876,624</u>

Rock Island-Milan School District #41

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024**

	Special Revenue		
	Transportation	Municipal Retirement	School Activity
Assets			
Cash and investments	\$ 1,958,732	\$ 2,666,277	\$ 561,668
Receivables, net of allowances for uncollectible amounts:			
Property taxes	1,529,026	2,875,397	-
Due from other governmental units	840,000	-	-
Due from other funds	-	7	-
Total assets	\$ 4,327,758	\$ 5,541,681	\$ 561,668
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts and contracts payable	\$ 33,356	\$ -	\$ -
Accrued payroll and benefits	-	220,126	-
Total liabilities	33,356	220,126	-
Deferred Inflows of Resources:			
Unavailable revenue:			
Property taxes	1,236,953	2,324,551	-
Intergovernmental	840,000	-	-
Total deferred inflows of resources	2,076,953	2,324,551	-
Fund Balances:			
Restricted	2,217,449	2,997,004	561,668
Total fund balances	2,217,449	2,997,004	561,668
Total liabilities, deferred inflows of resources and fund balances	\$ 4,327,758	\$ 5,541,681	\$ 561,668

Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
Tort Immunity and Judgment	Total	Life Safety	Debt Service	
\$ 1,393,563	\$ 6,580,240	\$ 172,388	\$ 762,021	\$ 7,514,649
1,646,219	6,050,642	-	3,747,267	9,797,909
-	840,000	-	-	840,000
-	7	-	-	7
<u>\$ 3,039,782</u>	<u>\$ 13,470,889</u>	<u>\$ 172,388</u>	<u>\$ 4,509,288</u>	<u>\$ 18,152,565</u>
\$ 119,378	\$ 152,734	\$ -	\$ -	\$ 152,734
-	220,126	-	-	220,126
<u>119,378</u>	<u>372,860</u>	<u>-</u>	<u>-</u>	<u>372,860</u>
1,325,777	4,887,281	-	3,037,115	7,924,396
-	840,000	-	-	840,000
<u>1,325,777</u>	<u>5,727,281</u>	<u>-</u>	<u>3,037,115</u>	<u>8,764,396</u>
1,594,627	7,370,748	172,388	1,472,173	9,015,309
<u>1,594,627</u>	<u>7,370,748</u>	<u>172,388</u>	<u>1,472,173</u>	<u>9,015,309</u>
<u>\$ 3,039,782</u>	<u>\$ 13,470,889</u>	<u>\$ 172,388</u>	<u>\$ 4,509,288</u>	<u>\$ 18,152,565</u>

Rock Island-Milan School District #41

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024**

	Special Revenue		
	Transportation	Municipal Retirement	School Activity
Revenues:			
Property taxes	\$ 1,094,097	\$ 2,380,762	\$ -
School facility occupation tax	-	-	-
Intergovernmental	651,587	75,000	-
Interest	165,754	106,486	-
Other, primarily student fundraising activities	-	-	392,696
Total revenues	1,911,438	2,562,248	392,696
Expenditures:			
Current:			
Instruction	-	959,802	-
Support services	1,850,003	1,275,233	347,362
Community services	-	3,920	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	1,850,003	2,238,955	347,362
Excess (deficiency) of revenues over (under) expenditures	61,435	323,293	45,334
Other financing sources (uses):			
Transfer (out)	(2,000,000)	-	-
Transfer in	-	-	-
Total other financing sources (uses)	(2,000,000)	-	-
Net change in fund balances	(1,938,565)	323,293	45,334
Fund balance, beginning of year	4,156,014	2,673,711	516,334
Fund balance, end of year	\$ 2,217,449	\$ 2,997,004	\$ 561,668

Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
Tort Immunity and Judgment	Total	Life Safety	Debt Service	
\$ 1,266,654	\$ 4,741,513	\$ -	\$ 3,262,767	\$ 8,004,280
-	-	-	1,771,319	1,771,319
-	726,587	-	-	726,587
68,727	340,967	7,364	72,939	421,270
-	392,696	-	-	392,696
<u>1,335,381</u>	<u>6,201,763</u>	<u>7,364</u>	<u>5,107,025</u>	<u>11,316,152</u>
-	959,802	-	-	959,802
1,253,429	4,726,027	-	-	4,726,027
-	3,920	-	-	3,920
-	-	-	4,022,073	4,022,073
-	-	-	2,206,991	2,206,991
<u>1,253,429</u>	<u>5,689,749</u>	<u>-</u>	<u>6,229,064</u>	<u>11,918,813</u>
81,952	512,014	7,364	(1,122,039)	(602,661)
-	(2,000,000)	-	-	(2,000,000)
-	-	-	130,933	130,933
<u>-</u>	<u>(2,000,000)</u>	<u>-</u>	<u>130,933</u>	<u>(1,869,067)</u>
81,952	(1,487,986)	7,364	(991,106)	(2,471,728)
1,512,675	8,858,734	165,024	2,463,279	11,487,037
<u>\$ 1,594,627</u>	<u>\$ 7,370,748</u>	<u>\$ 172,388</u>	<u>\$ 1,472,173</u>	<u>\$ 9,015,309</u>

Rock Island-Milan School District #41

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Special Revenue Funds
Year Ended June 30, 2024**

	Transportation		Municipal Retirement	
	Budget	Actual	Budget	Actual
Revenues:				
Property taxes	\$ 866,547	\$ 1,094,097	\$ 2,447,649	\$ 2,380,762
Intergovernmental	700,000	651,587	75,000	75,000
Interest	80,000	165,754	10,000	106,486
Other, primarily fees	-	-	-	-
Total revenues	1,646,547	1,911,438	2,532,649	2,562,248
Expenditures:				
Current:				
Instruction	-	-	988,775	959,802
Support services	2,020,500	1,850,003	1,342,268	1,275,233
Community services	-	-	3,844	3,920
Intergovernmental	-	-	-	-
Total expenditures	2,020,500	1,850,003	2,334,887	2,238,955
Excess (deficiency) of of revenues over (under) expenditures	(373,953)	61,435	197,762	323,293
Other financing (uses):				
Transfer out	(2,000,000)	(2,000,000)	-	-
Net change in fund balances	\$ (2,373,953)	(1,938,565)	\$ 197,762	323,293
Fund balance, beginning of year		4,156,014		2,673,711
Fund balance, end of year		<u>\$ 2,217,449</u>		<u>\$ 2,997,004</u>

School Activity		Tort Immunity and Judgment		Total	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 1,165,923	\$ 1,266,654	\$ 4,480,119	\$ 4,741,513
-	-	-	-	775,000	726,587
-	-	20,000	68,727	110,000	340,967
600,000	392,696	-	-	600,000	392,696
600,000	392,696	1,185,923	1,335,381	5,965,119	6,201,763
-	-	1,000	-	989,775	959,802
500,000	347,362	1,382,350	1,253,429	5,245,118	4,726,027
-	-	-	-	3,844	3,920
-	-	115,000	-	-	-
500,000	347,362	1,498,350	1,253,429	6,238,737	5,689,749
100,000	45,334	(312,427)	81,952	(273,618)	512,014
-	-	-	-	(2,000,000)	(2,000,000)
<u>\$ 100,000</u>	<u>45,334</u>	<u>\$ (312,427)</u>	<u>81,952</u>	<u>\$ (2,273,618)</u>	<u>(1,487,986)</u>
	<u>516,334</u>		<u>1,512,675</u>		<u>8,858,734</u>
	<u>\$ 561,668</u>		<u>\$ 1,594,627</u>		<u>\$ 7,370,748</u>

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Rock Island-Milan School District #41

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Debt Service Fund
Year Ended June 30, 2024**

	Budget	Actual
Revenues:		
Property taxes	\$ 3,581,990	\$ 3,262,767
School facility occupation tax	2,572,813	1,771,319
Interest	40,000	72,939
Total revenues	6,194,803	5,107,025
Expenditures:		
Debt service:		
Principal	3,981,544	4,022,073
Interest	2,201,285	2,206,991
Total expenditures	6,182,829	6,229,064
Excess of revenues over expenditures	11,974	(1,122,039)
Other financing sources, transfer in	87,616	130,933
Net change in fund balances	\$ 99,590	(991,106)
Fund balance, beginning of year		2,463,279
Fund balance, end of year		\$ 1,472,173

Rock Island-Milan School District #41

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Capital Projects Funds
Year Ended June 30, 2024**

	Capital Projects	
	Budget	Actual
Revenues:		
School facility occupation tax	\$ 1,627,187	\$ 2,670,558
Interest	150,000	946,036
Intergovernmental	3,627,208	1,933,171
Total revenues	<u>5,404,395</u>	<u>5,549,765</u>
Expenditures:		
Capital outlay	23,380,350	19,057,187
Total expenditures	<u>23,380,350</u>	<u>19,057,187</u>
(Deficiency) of revenues (under) expenditures	(17,975,955)	(13,507,422)
Other financing sources:		
Transfer in	6,000,000	6,000,000
Total other financing sources	<u>6,000,000</u>	<u>6,000,000</u>
Net change in fund balances	<u>\$ (11,975,955)</u>	(7,507,422)
Fund balance, beginning of year		20,899,357
Fund balance, end of year		<u>\$ 13,391,935</u>

Life Safety		Total	
Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 1,627,187	\$ 2,670,558
2,731	7,364	152,731	953,400
-	-	3,627,208	1,933,171
<u>2,731</u>	<u>7,364</u>	<u>5,407,126</u>	<u>5,557,129</u>
167,500	-	23,547,850	19,057,187
<u>167,500</u>	<u>-</u>	<u>23,547,850</u>	<u>19,057,187</u>
(164,769)	7,364	(18,140,724)	(13,500,058)
-	-	6,000,000	6,000,000
-	-	<u>6,000,000</u>	<u>6,000,000</u>
<u>\$ (164,769)</u>	<u>7,364</u>	<u>\$ (12,140,724)</u>	<u>(7,500,058)</u>
	172,388		8,619,736
	<u>\$ 179,752</u>		<u>\$ 1,119,678</u>

Rock Island-Milan School District #41

Combining Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2024

	Custodial Funds		
	Student Scholarships	Employees Flex Benefits	Total
Assets			
Cash and investments	\$ 221,417	\$ 28,685	\$ 250,102
Net Position			
Restricted for individuals, organizations and other governments	\$ 221,417	\$ 28,685	\$ 250,102

Rock Island-Milan School District #41

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended June 30, 2024

	Custodial Funds		
	Student Scholarships	Employees Flex Benefits	Total
Additions			
Contributions:			
Employees	\$ -	\$ 220,213	\$ 220,213
Investment earnings:			
Interest, dividends, and other	16,451	-	16,451
Total additions	16,451	220,213	236,664
Deductions			
Benefits paid to participants	-	223,537	223,537
Scholarships paid to recipients	1,209	-	1,209
Total deductions	1,209	223,537	224,746
Net increase (decrease) in fiduciary net position	15,242	(3,324)	11,918
Net position- beginning	206,175	32,009	238,184
Net position- ending	\$ 221,417	\$ 28,685	\$ 250,102

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Rock Island - Milan School District #41

Statistical Section Contents

The statistical section of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the District's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	97-110
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	111-114
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	115-120
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	121-122
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	123-130

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive report for the relevant year.

Rock Island - Milan School District #41

**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2015	2016	2017	2018 (1)
Governmental activities:				
Net investment in capital assets	\$ 17,888,668	\$ 18,471,949	\$ 19,356,003	\$ 22,613,699
Restricted	6,444,914	6,940,719	7,515,637	9,071,467
Unrestricted	19,214,475	18,465,472	16,086,767	(29,651,339)
Total governmental activities net position	\$ 43,548,057	\$ 43,878,140	\$ 42,958,407	\$ 2,033,827
Primary government:				
Net investment in capital assets	\$ 17,888,668	\$ 18,471,949	\$ 19,356,003	\$ 22,613,699
Restricted	6,444,914	6,940,719	7,515,637	9,071,467
Unrestricted	19,214,475	18,465,472	16,086,767	(29,651,339)
Total primary government net position	\$ 43,548,057	\$ 43,878,140	\$ 42,958,407	\$ 2,033,827

Source: District financial records

(1) The District implemented GASB Statement No. 75, Accounting and Financial Reporting for *Postemployment Benefits Other Than Pensions*

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 25,831,461	\$ 30,790,120	\$ 35,394,799	\$ 58,278,788	\$ 74,319,884	\$ 82,320,313	
10,612,099	10,185,098	11,271,189	13,828,529	18,060,159	23,259,448	
(27,760,740)	(25,796,163)	(20,522,406)	(9,248,053)	4,771,246	9,890,654	
\$ 8,682,820	\$ 15,179,055	\$ 26,143,582	\$ 62,859,264	\$ 97,151,289	\$ 115,470,415	
<hr/>						
\$ 25,831,461	\$ 30,790,120	\$ 35,394,799	\$ 58,278,788	\$ 74,319,884	\$ 82,320,313	
10,612,099	10,185,098	11,271,189	13,828,529	18,060,159	23,259,448	
(27,760,740)	(25,796,163)	(20,522,406)	(9,248,053)	4,771,246	9,890,654	
\$ 8,682,820	\$ 15,179,055	\$ 26,143,582	\$ 62,859,264	\$ 97,151,289	\$ 115,470,415	

Rock Island - Milan School District #41

**Expenses, Program Revenues and Net (Expense) Revenue
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2015	2016	2017	2018
Expenses:				
Governmental activities:				
Instruction	\$ 58,952,935	\$ 61,857,287	\$ 74,452,410	\$ 74,227,645
Support services	28,599,481	28,902,418	28,948,514	27,488,871
Community services	3,326,092	3,393,877	3,606,118	3,422,434
Interest on long-term debt	1,543,726	1,486,606	1,431,068	765,507
Total governmental activities expenses	92,422,234	95,640,188	108,438,110	105,904,457
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	216,844	124,200	107,447	113,867
Support services	918,330	476,825	248,841	524,297
Operating grants and contributions	35,084,742	38,173,859	47,615,715	40,978,647
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	36,219,916	38,774,884	47,972,003	41,616,811
Net (expense) revenue, governmental activities	\$ (56,202,318)	\$ (56,865,304)	\$ (60,466,107)	\$ (64,287,646)

Source: District financial records

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 75,672,887	\$ 79,843,452	\$ 84,839,336	\$ 73,915,316	\$ 73,668,361	\$ 78,497,678	
26,449,820	26,783,621	23,122,164	27,997,207	32,211,890	36,232,968	
3,469,566	3,518,361	3,980,370	3,849,609	4,980,917	2,619,653	
1,276,049	3,360,328	1,341,554	1,081,821	1,526,350	1,783,747	
106,868,322	113,505,762	113,283,424	106,843,953	112,387,518	119,134,046	
233,163	375,799	634,523	1,081,010	1,252,803	1,124,283	
533,831	500,468	347,071	538,730	721,238	877,528	
43,201,317	47,011,683	49,926,957	44,127,879	45,496,134	47,441,675	
-	-	-	12,929,111	6,676,030	646,998	
43,968,311	47,887,950	50,908,551	58,676,730	54,146,205	50,090,484	
\$ (62,900,011)	\$ (65,617,812)	\$ (62,374,873)	\$ (48,167,223)	\$ (58,241,313)	\$ (69,043,562)	

Rock Island - Milan School District #41

**General Revenues and Total Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2015	2016	2017	2018
Net (expense) revenue, governmental activities	\$ (56,202,318)	\$ (56,865,303)	\$ (60,466,107)	\$ (64,287,646)
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes levied for general purposes	28,533,838	29,088,255	29,657,311	29,784,304
Corporate personal property replacement taxes	5,020,415	4,011,519	5,660,954	4,178,789
School facility occupation tax	-	-	-	3,445,082
Unrestricted grants and contributions	20,573,512	22,129,066	23,049,152	27,442,829
Other	2,038,656	1,791,281	954,334	777,731
Investment earnings	159,395	175,265	224,623	468,909
Gain on sale of capital assets	812,508	-	-	-
Total governmental activities	57,138,324	57,195,386	59,546,374	66,097,644
Change in net position, governmental activities	\$ 936,006	\$ 330,083	\$ (919,733)	\$ 1,809,998

Source: District financial records

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ (62,900,011)	\$ (65,617,812)	\$ (62,374,873)	\$ (48,167,223)	\$ (58,241,313)	\$ (69,043,562)
30,767,215	31,010,582	31,981,627	32,320,872	35,827,342	35,295,692
4,650,152	5,028,148	7,005,694	15,147,582	15,808,620	9,525,963
3,360,624	3,157,550	3,459,758	4,208,631	4,346,994	4,429,540
28,955,767	30,434,438	30,434,261	32,992,414	33,966,789	34,525,494
970,545	573,759	272,251	-	-	-
844,701	1,909,570	185,809	219,017	2,582,986	3,585,999
-	-	-	-	-	-
69,549,004	72,114,047	73,339,400	84,888,516	92,532,731	87,362,688
\$ 6,648,993	\$ 6,496,235	\$ 10,964,527	\$ 36,721,293	\$ 34,291,418	\$ 18,319,126

Rock Island - Milan School District #41

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2015	2016	2017	2018
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unassigned	32,255,677	31,988,838	32,769,518	34,619,332
Total General Fund	\$ 32,255,677	\$ 31,988,838	\$ 32,769,518	\$ 34,619,332
All other governmental funds:				
Nonspendable	\$ 23,000	\$ 23,000	\$ -	\$ -
Restricted	5,741,914	5,981,664	6,535,295	7,844,857
Assigned	-	-	-	-
Total all other governmental funds	\$ 5,764,914	\$ 6,004,664	\$ 6,535,295	\$ 7,844,857

Source: District financial records

	2019	2020	2021	2022	2023	2024
\$	-	-	-	-	-	-
	-	-	-	-	-	-
	35,976,624	37,227,732	38,266,692	44,741,109	52,388,037	50,876,624
\$	35,976,624	\$ 37,227,732	\$ 38,266,692	\$ 44,741,109	\$ 52,388,037	\$ 50,876,624
\$	-	-	-	-	-	-
	9,605,080	26,247,164	24,434,885	18,891,144	32,386,394	22,407,244
	-	-	-	-	-	-
\$	9,605,080	\$ 26,247,164	\$ 24,434,885	\$ 18,891,144	\$ 32,386,394	\$ 22,407,244

Rock Island - Milan School District #41

**Governmental Funds Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2015	2016	2017	2018
Revenues:				
Property taxes	\$ 28,533,838	\$ 29,088,255	\$ 29,657,311	\$ 29,784,304
Corporate personal property taxes	5,020,415	4,011,519	5,660,954	4,178,789
School facility occupation tax	-	-	-	3,136,757
Intergovernmental	56,059,675	59,259,385	68,878,234	67,497,060
Interest and other income	147,774	153,340	185,817	389,232
Other revenues	3,173,830	2,407,524	2,622,095	2,771,459
Total revenues	\$ 92,935,532	\$ 94,920,023	\$ 107,004,411	\$ 107,757,601

Source: District financial records

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 30,767,215	\$ 31,010,582	\$ 31,981,627	\$ 32,320,872	\$ 35,827,342	\$ 35,295,692	
4,650,152	5,028,148	6,930,694	15,147,582	15,808,620	9,525,963	
3,371,930	3,157,550	3,459,758	4,175,710	4,347,095	4,441,877	
70,869,574	75,780,428	80,436,219	86,626,900	88,187,940	81,750,008	
721,524	494,498	162,256	193,741	2,420,520	3,403,298	
2,815,910	2,001,173	1,133,831	1,619,740	1,974,041	2,001,812	
\$ 113,196,305	\$ 117,472,379	\$ 124,104,385	\$ 140,084,545	\$ 148,565,558	\$ 136,418,650	

Rock Island - Milan School District #41

**Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2015	2016	2017	2018
Instruction	\$ 59,784,249	\$ 71,181,968	\$ 69,257,519	\$ 69,257,519
Support services	28,454,037	27,585,415	26,091,432	26,091,432
Community services	3,393,877	3,606,118	3,422,434	3,422,434
Capital outlay	224,755	140,836	3,091,343	3,091,343
Debt service:				
Principal	1,560,000	1,705,000	1,870,000	1,870,000
Interest	1,530,194	1,473,763	884,645	884,645
Total expenditures	\$ 92,373,301	\$ 94,947,112	\$ 105,693,100	\$ 104,617,373
Debt service as a percentage of noncapital expenditures	3.27%	3.27%	3.03%	2.71%

Source: District financial records

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 73,284,889	\$ 79,129,199	\$ 85,315,030	\$ 74,255,129	\$ 77,630,996	\$ 80,302,053	
27,172,434	26,089,678	24,567,057	29,541,626	30,764,945	35,352,875	
3,469,566	3,518,361	3,980,370	3,849,609	4,980,917	4,886,573	
2,619,676	4,888,508	6,368,610	26,750,837	29,238,159	21,152,837	
2,110,000	2,170,000	3,080,000	3,300,000	3,556,544	4,022,073	
1,422,225	982,443	1,566,637	1,456,668	1,842,581	2,206,991	
\$ 110,078,790	\$ 116,778,189	\$ 124,877,704	\$ 139,153,869	\$ 148,014,142	\$ 147,923,402	
3.29%	2.81%	3.92%	4.24%	4.51%	4.93%	

Rock Island - Milan School District #41

Other Financing Sources and Uses and Net Change in Fund Balances

Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Excess of revenues over (under) expenditures	\$ 562,231	\$ (27,089)	\$ 1,311,311	\$ 3,140,228
Other financing sources (uses):				
Issuance of long-term debt	-	-	-	27,730,000
Proceeds from sale of capital asset	835,915	-	-	-
Payment to refunded bond escrow agent	-	-	-	(29,884,197)
Bond premium	-	-	-	2,173,345
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	835,915	-	-	19,148
Net change in fund balances	\$ 1,398,146	\$ (27,089)	\$ 1,311,311	\$ 3,159,376

Source: District financial records

							Fiscal Year	
2019	2020	2021	2022	2023	2024			
\$ 3,117,515	\$ 694,190	\$ (773,319)	\$ 930,676	\$ 551,416	\$ (11,504,752)			
-	14,700,000	-	-	19,683,174	14,189			
-	-	-	-	-	-			
-	-	-	-	-	-			
-	2,499,002	-	-	907,588	-			
-	-	-	3,000,000	5,087,616	8,130,933			
-	-	-	(3,000,000)	(5,087,616)	(8,130,933)			
-	17,199,002	-	-	20,590,762	14,189			
\$ 3,117,515	\$ 17,893,192	\$ (773,319)	\$ 930,676	\$ 21,142,178	\$ (11,490,563)			

Rock Island - Milan School District #41

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years**

(Unaudited)

Fiscal Year	Actual Value		Less Exemptions	Total Taxable Value - Actual	Total Taxable Value Assessed	Total Direct Rate
	Residential Property Actual	Personal Property Assessed				
2014	\$ 1,435,985,113	\$ 478,613,838	\$ 105,125,607	\$ 1,120,576,751	\$ 373,488,231	5.4610
2015	1,482,174,296	494,008,693	111,134,624	1,148,737,081	382,874,069	5.3782
2016	1,482,174,296	494,008,693	111,134,624	1,148,737,081	382,874,069	5.3782
2017	1,485,496,433	494,008,693	106,633,447	1,165,564,098	388,482,514	5.3398
2018	1,505,092,307	501,647,266	107,936,412	1,181,250,687	393,710,854	5.3732
2019	1,536,610,192	512,152,177	112,446,197	1,199,237,864	399,705,980	5.3897
2020	1,550,338,086	516,727,684	114,440,353	1,206,982,691	402,287,331	5.4136
2021	1,581,543,954	527,128,600	112,021,473	1,245,445,926	415,107,127	5.3731
2022	1,804,042,772	601,287,456	119,220,115	1,446,346,657	482,067,341	5.2760
2023	1,800,381,527	600,067,163	117,273,385	1,448,526,187	482,793,778	5.2944

Source: County Assessor's Office.

Rock Island - Milan School District #41

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

Fiscal Year Ended June 30	District Direct Rates			Overlapping Rates					
	General Purposes	Capital Purposes	Total	Rock Island County	City Of Rock Island	SRI Township	Airport	Blackhawk College	Transit
2014	4.7064	0.5918	5.2982	1.0596	2.3852	0.1954	0.0750	0.5485	0.2082
2015	4.8610	0.6000	5.4610	1.2480	2.4002	0.1924	0.0750	0.5598	0.2086
2016	4.7754	0.6028	5.3782	1.2466	2.3882	0.1898	0.0750	0.5718	0.2056
2017	4.7888	0.5510	5.3398	1.2436	2.6038	0.1798	0.0756	0.5676	0.2120
2018	4.7958	0.5774	5.3732	1.3674	2.6570	0.1784	0.0748	0.5632	0.1952
2019	4.8007	0.5890	5.3897	1.4602	2.7497	0.1750	0.0733	0.5714	0.1958
2020	4.8075	0.6061	5.4136	1.4355	2.7590	0.1761	0.0721	0.5682	0.2000
2021	4.7976	0.5755	5.3731	1.3051	2.7479	0.1705	0.0696	0.5620	0.1952
2022	4.7316	0.5444	5.2760	1.1098	2.7556	0.1622	0.0647	0.5441	0.1888
2023	4.8328	0.4616	5.2944	1.0490	2.7727	0.1516	0.0638	0.5312	0.1849

Source: Rock Island County Clerk.

Rock Island - Milan School District #41

**Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)**

Taxpayer	2024			2015		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
GLP Capital LP	\$ 24,283,296	1	4.10%			
Modern Woodmen of America	11,672,199	2	2.00%	7,692,555	3	1.47%
Deere & Co.				8,237,491	2	1.58%
Iowa Illinois Gas & Elec	6,803,394	3	1.20%			
GTI Rock Island Partners	6,271,770	4	1.10%			
Breit US Winston Holdings LLC	4,816,573	5	0.80%			
Friendship Manor	4,147,439	6	0.70%	3,031,571	4	0.58%
1709 RC Sarasota Investments LLC	3,834,375	7	0.70%			
LRC HV LLC	3,826,826	8	0.70%			
Century Woods IL TC, LP	3,726,646	9	0.60%			
First Financial Group LLC	3,654,879	10	0.60%			
Heather Ridge ILTC LP						
Export Packaging Co Inc				2,646,957	6	0.51%
Rock Island Boat Works				22,000,375	1	4.22%
Modern Warehousing, LLC				2,508,297	7	0.48%
Mid-American Energy Company				2,098,700	10	0.40%
HyVee, Inc., Milan				2,449,755	8	0.47%
HyVee, Inc., Rock Island				2,333,100	9	0.45%
Mid-American Energy Company				2,760,042	5	0.53%
Total	\$ 73,037,397		12.50%	\$ 55,758,843		10.69%
Total District Assessed Valuator	\$ 704,824,764			\$ 520,479,623		

Source: Rock Island County Assessor

Rock Island - Milan School District #41

**Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date*	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 27,645,971	\$ 8,635,083	31.23%	\$ 18,753,371	\$ 27,388,454	99.07%
2016	28,912,334	9,403,041	32.52%	19,374,741	28,777,782	99.53%
2017	29,210,724	9,282,144	31.78%	19,830,357	29,112,501	99.66%
2018	29,262,394	9,335,570	31.90%	19,669,390	29,004,960	99.12%
2019	29,735,469	9,443,408	31.76%	20,142,848	29,586,256	99.50%
2020	30,270,279	9,957,240	32.89%	20,084,521	30,041,761	99.25%
2021	30,534,879	10,692,020	35.02%	20,053,133	30,675,281	100.10%
2022	32,305,913	8,493,893	26.29%	23,790,891	32,284,784	99.93%
2023	34,714,506	13,328,981	38.40%	21,106,101	34,435,082	99.20%
2024	37,316,242	13,117,463	35.15%	n/a	n/a	n/a

Source: County Property Appraiser and District records.

* Excludes tax collections for delinquent taxes

n/a- not applicable

Rock Island - Milan School District #41

Ratios of Net General Bonded Debt Outstanding

Last Ten Fiscal Years

(dollars in thousands, except per capita)

(Unaudited)

Fiscal Year	General Obligation Bonds Outstanding	Amount Restricted for Repayment of Bonded Debt	Net Bonded Debt	Percent of Actual Taxable Value of Property	Per Capita	Percent of Personal Income
2015	\$ 34,844,346	*	*	3.03%	\$ 238	0.56%
2016	33,245,461	1,723,385	31,522,076	2.89%	230	0.52%
2017	31,503,412	1,741,709	29,761,703	2.70%	214	0.47%
2018	29,804,557	2,151,239	27,653,318	2.52%	206	0.22%
2019	27,496,980	1,795,608	25,701,372	2.29%	192	0.24%
2020	42,314,522	1,920,510	40,394,012	3.51%	287	0.16%
2021	38,870,345	2,114,357	36,755,988	3.22%	269	*
2022	35,206,169	2,162,890	33,043,279	2.83%	246	*
2023	51,648,110	2,463,279	49,184,831	3.40%	331	*
2024	47,338,554	1,472,173	45,866,381	3.27%	325	*

Source: District financial records

* Information not currently available

Rock Island - Milan School District #41

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2024
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
City of Rock Island, self-supporting	\$ 64,720,000	96.10%	\$ 62,195,920
Rock Island County	26,726,833	25.13%	6,716,453
Metropolitan Airport Authority	10,090,000	3.03%	305,727
Subtotal, overlapping debt			69,218,100
District direct debt			47,338,554
Total direct and overlapping debt			\$ 116,556,654

Source: Rock Island County Clerk's Office

Note: The amount of each entity's outstanding debt attributable to the District is calculated by determining the percentage amount of that entity overlapping the District and multiplying the entity's outstanding debt by that percentage

Rock Island - Milan School District #41

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

	2015	2016	2017	2018
Debt limit	\$ 72,008	\$ 73,062	\$ 74,952	\$ 75,625
Total net debt applicable to limit	34,560	33,000	31,295	27,730
Legal debt margin	\$ 37,448	\$ 40,062	\$ 43,657	\$ 47,895
Total net debt applicable to the limit as a percentage of debt limit	47.99%	45.17%	41.75%	36.67%

Source: District financial records

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	<u>\$ 704,824,764</u>
Debt limit (13.8% of assessed value)	\$ 97,265,817
Debt applicable to limit	<u>43,947,608</u>
Legal debt margin	<u>\$ 53,318,209</u>

	2019	2020	2021	2022	2023	2024
\$	76,370	\$ 77,505	\$ 77,838	\$ 82,973	\$ 90,800	\$ 97,266
	27,497	42,315	42,768	35,235	47,956	43,948
\$	48,873	\$ 35,190	\$ 35,070	\$ 47,738	\$ 42,844	\$ 53,318
	36.00%	54.60%	54.94%	42.47%	52.81%	45.18%

Rock Island - Milan School District #41

Pledged Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)

Fiscal Year	Revenue	Long-term debt		Coverage
		Debt Service		
		Principal	Interest	
2015	\$ 92,935,532	\$ 1,420,000	\$ 1,579,053	3.23
2016	94,920,023	1,560,000	1,530,194	3.26
2017	107,004,411	1,705,000	1,473,763	2.97
2018	107,757,601	1,870,000	884,645	2.56
2019	113,196,305	2,110,000	1,422,225	3.12
2020	120,001,997	2,170,000	981,400	2.63
2021	124,247,951	3,080,000	1,566,637	3.74
2022	140,684,545	3,300,000	1,456,668	3.38
2023	148,565,558	3,475,000	1,833,891	3.57
2024	135,856,829	3,900,000	2,195,213	4.49

Source: District financial records

Rock Island - Milan School District #41

**Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Governmental Activities		Lease Obligation	IT Subscription Obligation	Total	Percentage of Personal Income	Per Capita
	General Obligation Bonds						
2015	\$ 34,844,346	\$ -	\$ -	\$ -	\$ 34,844,346	0.59%	238.44
2016	33,245,461	-	-	-	33,245,461	0.55%	229.62
2017	31,503,412	-	-	-	31,503,412	0.49%	213.52
2018	29,804,557	-	-	-	29,804,557	0.46%	205.82
2019	27,496,980	-	-	-	27,496,980	0.42%	191.65
2020	42,314,522	-	-	-	42,314,522	0.62%	286.80
2021	38,870,345	-	-	-	38,870,345	0.53%	268.68
2022	35,206,169	28,684	30,178		35,265,031	0.51%	246.77
2023	51,648,110	215,535	44,957		51,908,602	N/A	366.78
2024	47,338,554	130,544	22,064		47,491,162	N/A	336.25

Source: District financial records

Rock Island - Milan School District #41

**Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)**

Calendar Year	Population	Personal Income (000's)	Per Capita Personal Income	Unemployment Rate
2015	146,133	\$ 5,893,826	\$ 40,332	5.6
2016	144,784	6,034,217	26,893	6.0
2017	147,546	6,394,033	27,822	5.0
2018	144,808	6,428,026	28,595	4.8
2019	143,477	6,485,482	29,756	4.4
2020	147,541	6,832,874	30,380	9.2
2021	144,672	7,349,695	31,715	5.6
2022	142,909	6,904,685	34,233	4.3
2023	141,527	*	*	5.4
2024	141,236	*	*	6.8

* Information not available

Note: Current and data are often adjusted due to re-benchmarking and changes in methodology.

Sources:

- (1) US Census Bureau Quick Facts, Updated April 1, 2020 (Census)
- (2) Federal Reserve Bank of St. Louis Economic Research, Updated November 17, 2020
- (3) Department of Employment Securities, August 2021

Rock Island - Milan School District #41

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Unity Point Health - Trinity (Rock Island Only)	2,048	1	11.12%	2,900	3	3.8%
City of Rock Island	665	2	3.61%			
Bally's Hotel & Casino	550	3	2.99%			
Thoms Proestler Co	530	4	2.88%			
Modern Woodmen of America	475	5	2.58%			
Anderson Dean	300	6	1.63%			
Art-O-Lite Electric	300	7	1.63%			
Augustana College	300	8	1.63%			
Friendshp Manor	300	9	1.63%			
Friendshp Manor	300	10	1.63%			
Rock Island Arsenal				8,500	1	11.1%
Deere & Company				7,300	2	9.6%
Tyson				2,400	4	3.2%
Hy-Vee (Rock Island)				1,500	5	2.0%
XPAC				1,195	6	1.6%
Moline CSD #40				1,111	7	1.5%
Genesis Medical Center (Silvis)				970	8	1.3%
Group O				800	9	1.1%
Walmart (Rock Island County Locations)				533	10	0.7%
Total	5,768		31.3%	27,209		35.9%

**Note: Data provided is derived from multiple sources with varying levels of accuracy.
Sources: City of Rock Island - Annual Comprehensive Financial Report as of December 31, 2023**

Rock Island - Milan School District #41

Full-Time Equivalent District Employees By Type
Last Ten Fiscal Years
(Unaudited)

	2015	2016	2017	2018
Instruction:				
Elementary classroom teachers	156.50	159.83	156.50	157.00
Secondary classroom teachers	125.00	129.37	130.50	132.50
Special education teachers	68.50	70.00	69.00	72.00
Bi-lingual program teachers	14.50	19.10	16.80	18.00
Headstart/pre-k teachers	23.00	24.00	21.00	25.00
Other teachers	14.50	14.50	13.00	13.00
Para-professionals	116.50	123.00	138.00	141.00
Total instruction	518.50	539.80	544.80	558.50
Student services:				
Deans/building supervisors	15.00	12.00	11.00	11.00
Guidance counselors	12.00	14.00	13.00	10.00
Psychologists/social workers	10.00	11.00	10.00	10.00
Speech	12.00	9.00	8.00	9.00
Nurses	14.00	14.00	14.00	13.00
Library/library para-professionals	11.00	10.00	11.00	11.00
Headstart/pre-k family service/coordinator	41.00	46.00	42.00	41.00
Other professionals (noninstructional)	6.00	6.00	6.00	6.00
Technicians	4.00	4.00	4.00	5.00
Total student services	125.00	126.00	119.00	116.00
Supervisory:				
Instructional administrators	4.00	5.79	5.00	5.00
Noninstructional administrators	2.00	2.00	2.00	2.00
Principals	15.00	13.21	13.00	13.00
Assistant principals	7.00	6.00	6.00	6.00
Total supervisory	28.00	27.00	26.00	26.00
Support and administration:				
Clerical/secretarial	41.50	42.00	35.00	37.00
Custodian/maintenance/warehouse	44.50	42.00	44.00	42.00
Security	11.00	12.00	10.00	11.00
Food service	57.25	60.00	57.00	58.00
Other support staff	3.00	3.00	3.00	4.00
Total support and administration	157.25	159.00	149.00	152.00

Source: District financial records

Full-Time Equivalent Employees as of June 30						Percentage Change
2019	2020	2021	2022	2023	2024	2015-2024
190.00	159.47	163.50	157.50	159.00	153.00	-2.24%
127.00	113.40	116.10	113.50	113.00	101.00	-19.20%
68.00	71.33	70.00	73.00	72.00	71.00	3.65%
16.00	17.80	18.90	21.00	25.00	27.00	86.21%
20.00	24.00	26.00	29.00	28.00	29.00	26.09%
13.00	13.00	13.00	13.00	13.00	19.00	31.03%
129.00	141.00	130.00	133.00	136.00	137.00	17.60%
563.00	540.00	537.50	540.00	546.00	537.00	3.57%
11.00	13.00	14.00	14.00	15.00	14.00	-6.67%
17.00	18.00	20.00	20.00	22.00	22.00	83.33%
12.00	11.00	12.00	12.00	10.00	13.00	30.00%
9.00	9.00	10.00	10.00	10.00	11.00	-8.33%
12.00	15.00	14.00	17.00	14.00	17.00	21.43%
12.00	9.00	9.00	10.00	9.00	10.00	-9.09%
38.00	42.00	41.00	41.00	42.00	43.00	4.88%
6.00	6.00	6.00	6.00	6.00	8.00	33.33%
5.00	5.00	6.00	6.00	6.00	6.00	50.00%
122.00	128.00	132.00	136.00	134.00	144.00	15.20%
5.00	6.88	6.88	7.00	7.00	7.00	75.00%
2.00	3.00	3.00	3.00	3.00	3.00	50.00%
13.00	13.12	13.00	13.00	13.00	13.00	-13.33%
6.00	6.00	6.00	6.00	6.00	7.00	0.00%
26.00	29.00	28.88	29.00	29.00	30.00	7.14%
38.00	35.00	36.00	34.00	34.00	33.00	-20.48%
41.00	43.00	42.00	37.00	40.00	42.00	-5.62%
12.00	10.00	8.00	10.00	13.00	14.00	27.27%
68.00	68.00	60.00	62.00	68.00	82.00	43.23%
6.00	6.00	7.00	7.00	7.00	7.00	133.33%
165.00	162.00	153.00	150.00	162.00	178.00	13.20%

Rock Island - Milan School District #41

**Operating Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change
2015	6,740	\$ 65,240,687	\$ 9,680	0.04
2016	6,651	66,330,147	9,973	0.03
2017	6,433	66,566,274	10,348	0.04
2018	6,364	66,979,172	10,525	0.02
2019	6,243	69,597,007	11,148	0.06
2020	6,277	69,345,917	11,048	0.11
2021	6,123	71,271,194	11,640	0.05
2022	6,194	76,682,017	12,380	0.06
2023	6,204	79,974,620	12,891	0.04
2024	6,209	84,910,912	13,675	0.06

Source: Illinois State Board of Education Fall Housing Report
Source: Illinois State Board of Education Annual Financial Report

*Information not available due to Community Eligibility Program

Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced Priced Meals
\$ 67,562,517	\$ 10,024	0.03	402	16.77	75* %
68,655,761	10,323	0.03	417	15.95	75*
76,501,953	10,955	0.06	411	15.65	75*
105,095,598	16,514	0.51	416	15.30	75*
109,218,862	17,495	0.06	423	14.76	63*
116,203,622	18,513	0.06	433	14.50	63*
124,877,704	20,395	0.10	443	13.82	63*
139,153,869	22,466	0.10	450	13.76	63*
148,014,142	23,858	0.06	450	13.79	63*
147,923,402	23,824	0.00	457	13.59	63*

Rock Island - Milan School District #41

**School Building Information
Last Ten Fiscal Years
(Unaudited)**

School	Fiscal Year			
	2015	2016	2017	2018
Elementary:				
Denkmann (1930, 1941, 1954, 2009)				
Square feet	47,304	47,304	47,304	47,304
Capacity	550	550	550	550
Enrollment	483	483	412	418
Earl Hanson (1971, 2010)				
Square feet	56,171	56,171	56,171	56,171
Capacity	575	575	575	575
Enrollment	414	414	424	413
Eugene Field (1949, 1951, 1954, 2009)				
Square feet	45,617	45,617	45,617	45,617
Capacity	425	425	425	425
Enrollment	399	399	374	385
Frances Willard (1937, 1953, 2010)				
Square feet	45,442	45,442	45,442	45,442
Capacity	350	350	350	350
Enrollment	313	313	302	267
Horace Mann (1957)				
Square feet	32,951	32,951	32,951	32,951
Capacity	400	400	400	400
Enrollment	108	108	144	140
Intermediate Academy (1953, 1961)				
Square feet	92,747	92,747	92,747	92,747
Capacity	300	300	300	300
Enrollment	-	-	-	-
Longfellow (1935, 2009)				
Square feet	39,149	39,149	39,149	39,149
Capacity	375	375	375	375
Enrollment	320	320	296	273
Primary Academy (1961, 2010)				
Square feet	59,380	59,380	59,380	59,380
Capacity	650	650	650	650
Enrollment	508	508	525	546
Ridgewood (1972, 2010, 2018)				
Square feet	55,618	55,618	55,618	64,125
Capacity	575	575	575	575
Enrollment	327	327	280	316

(Continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
47,304	47,304	47,304	47,304	47,304	47,304
550	550	550	550	550	550
411	401	362	345	341	331
56,171	56,171	56,171	56,171	56,171	56,171
575	575	575	575	575	575
388	377	344	352	352	343
45,617	45,617	45,617	45,617	45,617	45,617
425	425	425	425	425	425
389	402	385	400	441	424
45,442	45,442	45,442	45,442	45,442	45,442
350	350	350	350	350	350
335	334	314	307	288	264
32,951	32,951	32,951	32,951	32,951	32,951
400	400	400	400	400	400
158	164	163	292	138	173
92,747	92,747	92,747	92,747	-	-
300	300	300	300	-	-
-	-	-	-	-	-
39,149	39,149	39,149	39,149	39,149	39,149
375	375	375	375	375	375
287	259	213	216	234	242
59,380	59,380	59,380	59,380	59,380	59,380
650	650	650	650	650	650
458	452	452	498	489	504
64,125	64,125	64,125	64,125	64,125	64,125
575	575	575	575	575	575
279	284	281	300	299	276

Rock Island - Milan School District #41

**School Building Information (Continued)
Last Ten Fiscal Years
(Unaudited)**

School	Fiscal Year			
	2015	2016	2017	2018
Thomas Jefferson (1962, 1999, 2009)				
Square feet	52,803	52,803	52,803	52,803
Capacity	550	550	550	550
Enrollment	447	447	399	402
Rock Island Center for Math & Science (2010)				
Square feet	64,400	64,400	64,400	64,400
Capacity	600	600	600	600
Enrollment	567	567	554	536
Middle:				
Edison (1925, 1953, 1956, 1970)				
Square feet	80,292	80,292	80,292	80,292
Capacity	600	600	600	600
Enrollment	429	429	388	381
Washington (1920, 1955, 1960, 2022)				
Square feet	91,872	91,872	91,872	91,872
Capacity	875	875	875	875
Enrollment	535	535	510	501
High School (1937, 1957, 1964, 2000, 2023):				
Square feet	398,483	398,483	398,483	398,483
Capacity	2,200	2,200	2,200	2,200
Enrollment	1,736	1,736	1,656	1,597
Alternative School (1949):*				
Square feet	51,154	51,154	51,154	51,154
Capacity	475	475	475	475
Enrollment	164	164	169	172

*Alternative school moved into the former Grant Elementary School in 2006.
Source: District records.

Fiscal Year					
2019	2020	2021	2022	2023	2024
52,803	52,803	52,803	52,803	52,803	52,803
550	550	550	550	550	550
370	387	300	300	299	304
64,400	64,400	64,400	64,400	64,400	64,400
600	600	600	600	600	600
535	537	467	470	472	473
80,292	80,292	80,292	80,292	80,292	80,292
600	600	600	600	600	600
389	381	397	419	407	415
91,872	91,872	91,872	94,874	94,874	94,874
875	875	875	875	875	875
500	537	532	498	481	521
398,483	398,483	398,483	398,483	411,733	411,733
2,200	2,200	2,200	2,200	2,200	2,200
1,595	1,612	1,659	1,693	1,715	1,686
51,154	51,154	51,154	51,154	51,154	51,154
475	475	475	475	475	475
149	150	100	104	147	152

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Rock Island - Milan School District #41

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture:				
Pass-Through Illinois State Board of Education:				
Child Nutrition Cluster Programs:				
School Breakfast Program	10.553	24-4220-00	\$ -	\$ 953,010
National School Lunch Program	10.555	24-4210-00	-	3,111,464
COVID-19 ARP-National School Lunch Program	10.555	24-4210-SC	-	156,094
Commodities- DOD (Noncash)	10.555	24-4250-00	-	205,269
Commodities -(Noncash)	10.555	24-4250-00	-	78,804
			-	3,551,631
Summer Food Service Program for Children	10.559	24-4225-00	-	6,523
Fresh Fruit and Vegetable Program	10.582	24-4240-00	-	95,392
Total Child Nutrition Cluster			-	4,606,556
Equipment Assistance- National School Lunch Program	10.579	24-4260-00	-	50,000
COVID-19 ARP Pandemic EBT Administration Costs	10.649	23-4210-BT	-	6,180
U.S. Department of Agriculture			-	4,662,736
U.S. Department of Education:				
Direct:				
Education Innovation & Research Program Grant	84.411C	n/a	-	595,803
Pass-Through Illinois State Board of Education:				
Title I Grants to Local Educational Agencies	84.010A	23-4300-00	-	48,267
Title I Grants to Local Educational Agencies	84.010A	24-4300-00	-	3,345,123
Title I Grants to Local Educational Agencies	84.010A	24-4331-PL	-	154,720
Title I Grants to Local Educational Agencies	84.010A	24-4331-00	-	31,657
			-	3,579,767
Special Education Cluster (IDEA):				
Special Education- Grants to States (IDEA, Part B)	84.027	24-4620-00	-	1,911,823
COVID-19 American Rescue Plan Special Education- Grants to States (IDEA, Part B)	84.027X	24-4620-00	-	54,286
			-	1,966,109
Special Education- Grants to States (IDEA Preschool)	84.173	24-4600-00	-	59,211
COVID-19 American Rescue Plan Special Education- Grants to States (IDEA Preschool)	84.173X	24-4600-00	-	8,018
			-	67,229
Total Special Education Cluster (IDEA)			-	2,033,338

(Continued)

Rock Island - Milan School District #41

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education (continued):				
English Language Acquisition State Grants	84.365A	24-4905-00	\$ -	\$ 2,000
English Language Acquisition State Grants	84.365A	23-4909-00	-	14,734
English Language Acquisition State Grants	84.365A	24-4909-00	-	63,379
			-	80,113
Supporting Effective Instruction State Grant	84.367A	23-4932-00	-	10,104
Supporting Effective Instruction State Grant	84.367A	24-4932-00	-	268,320
				278,424
Student Support and Academic Enrichment Grants	84.424A	24-4400-00	-	270,342
Education Stabilization Fund:				
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	24-4998-E2	-	37,746
COVID-19 Governor's Emergency Education Relief Fund (GEER)	84.425U	24-4998-D3	-	2,800
COVID-19 Elementary and Secondary School Emergency Relief (ARP-ESSER) Fund	84.425U	24-4998-15	-	93,353
COVID-19 Elementary and Secondary School Emergency Relief (ARP-ESSER) Fund	84.425U	24-4998-15	-	33,838
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP-ESSER) Fund	84.425U	24-4998-EB	-	7,944
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP-ESSER) Fund	84.425U	24-4998-E3	-	2,928,709
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief			-	3,066,644
Homeless Children and Youth (ARP-HCY)	84.425W	24-4998-HL	-	14,550
Total Education Stabilization Fund Program			-	3,118,940
Pass-Through Blackhawk Area Special Education District:				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	24-4999-00	-	1,677
Total U.S. Department of Education			-	9,958,404

(Continued)

Rock Island - Milan School District #41

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services:				
Direct:				
HeadStart	93.600	N/A	\$ -	\$ 3,157,825
Pass-Through Illinois Department of Healthcare and Family Services				
Medicaid Cluster:				
Medicaid Administrative Outreach- Medical Assistance Program	93.778	24-4991-00	-	269,717
Total U.S. Department of Health and Human Services			-	3,427,542
Total Expenditures of Federal Awards			\$ -	\$ 18,048,682

See notes to schedule of expenditures of federal awards.

Rock Island-Milan School District #41

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of Rock Island-Milan School District #41 under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Rock Island-Milan School District #41, it is not intended to and does not present the financial position, changes in net position or cash flows of Rock Island-Milan School District #41.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual or accrual basis of accounting. Such expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to the amounts reported as expenditures in the prior years. Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal awards is recognized when it is both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3. Indirect Cost Rate

The District has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.



Rock Island-Milan School District #41

Rock Island-Milan School District #41

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024**

Findings	Status	Reason For Recurrence and Corrective Action Plan or Other Explanation
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None.

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**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

To the Board of Education
Rock Island-Milan School District #41
Rock Island, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Rock Island-Milan School District #41 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Rock Island-Milan School District #41's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bohnsack & Frommelt LLP

Moline, Illinois
November 18, 2024

Independent Auditor’s Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Education
Rock Island-Milan School District #41
Rock Island, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rock Island-Milan School District #41 's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Rock Island-Milan School District #41 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit,
- identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bohnsack & Frommelt LLP

Moline, Illinois
November 18, 2024

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Rock Island-Milan School District #41

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency identified? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency identified? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
93.600	HeadStart
Education Stabilization Fund:	
84.425D	COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund
84.425U	COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP-ESSER) Fund
84.425W	COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Homeless Children and Youth (ARP-HCY)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

(Continued)

Rock Island-Milan School District #41

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Part II: Findings Related to the Basic Financial Statements

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.



Rock Island-Milan School District #41

Rock Island-Milan School District #41

**Corrective Action Plan
Year Ended June 30, 2024**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
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None.