PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 26, 2025

NEW ISSUE—Book-Entry-Only **RATING†*: Moody's Investors Service: ___**

In the opinion of Thrun Law Firm, P.C., Bond Counsel, under existing law, (i) the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof, (ii) interest on the Bonds is excluded from gross income for federal income tax purposes to the extent and subject to the conditions described herein, and (iii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax to the extent and subject to the conditions described herein. See "TAX MATTERS" herein.

$173,350,000**
FOREST HILLS PUBLIC SCHOOLS
COUNTY OF KENT, STATE OF MICHIGAN
2025 SCHOOL BUILDING AND SITE BONDS, SERIES I
(GENERAL OBLIGATION - UNLIMITED TAX)

Dated: Date of Delivery **Due: May 1, as shown below**

On November 7, 2023, the qualified electors of the Forest Hills Public Schools, County of Kent, State of Michigan (the "School District") approved the issuance of bonds in the amount of not to exceed $340,000,000 to be issued in one or more series. Proceeds of the 2025 School Building and Site Bonds, Series I (General Obligation – Unlimited Tax) (the "Bonds") in the principal amount of $173,350,000**, representing the first series of bonds issued under the 2023 authorization, will be used for school building and site purposes. The Bonds were authorized by the Board of Education of the School District by resolutions adopted on December 16, 2024, and expected to be adopted on March __, 2025 (together, the "Resolutions"). The Bonds will pledge the full faith and credit of the School District for payment of the principal and interest thereon and will be payable from ad valorem taxes, which may be levied on all taxable property in the School District without limitation as to rate or amount.

The Bonds are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "THE BONDS—Book-Entry-Only System" herein.

Principal of and interest on the Bonds will be paid by the corporate trust office of The Huntington National Bank, Byron Center, Michigan (the "Paying Agent"). So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to such Bondholder. Disbursement of such payments to DTC's Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC's Direct Participants and Indirect Participants, as more fully described herein. Interest will be payable semiannually on May 1 and November 1, commencing November 1, 2025 to the Bondholders of record as of the applicable record dates as stated in the Bonds.

The School District has applied for municipal bond insurance to insure the Bonds, but has not, as of the date hereof, received or accepted a commitment. See "POTENTIAL FOR BOND INSURANCE" herein.

(Base CUSIP§: ______)

Maturity**	Amount**	Interest Rate	Yield	CUSIP§	Maturity**	Amount**	Interest Rate	Yield	CUSIP§
2026	$5,150,000				2036	$ 8,370,000			
2027	6,375,000				2037	8,785,000			
2028	8,215,000				2038	9,225,000			
2029	5,950,000				2039	9,685,000			
2030	6,245,000				2040	10,170,000			
2031	6,560,000				2041	10,680,000			
2032	6,885,000				2042	11,210,000			
2033	7,230,000				2043	11,770,000			
2034	7,590,000				2044	12,360,000			
2035	7,970,000				2045	12,925,000			

THE BONDS OR PORTIONS OF THE BONDS MATURING ON OR AFTER MAY 1, 2036** ARE SUBJECT TO OPTIONAL REDEMPTION BEGINNING MAY 1, 2035**, IN THE MANNER AND AT THE TIMES DESCRIBED HEREIN. See "THE BONDS — Optional Redemption" herein.

The Bonds will be offered when, as and if issued by the School District and accepted by the Underwriters subject to the approving legal opinion of Thrun Law Firm, P.C., East Lansing, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan. It is expected that the Bonds will be available for delivery through DTC on or about April __, 2025.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

STIFEL

Huntington Capital Markets **Raymond James**

The date of this Official Statement is March __, 2025.

† For an explanation of the rating, see "RATING" herein.

* As of date of delivery.

** Preliminary, subject to change.

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No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement in connection with the offer made hereby and, if given or made, such other information or representation must not be relied upon as having been authorized by the School District or the Underwriters. This Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy these securities be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Information herein has been obtained from the School District, The Depository Trust Company and other sources believed to be reliable. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information (except for information under the section captioned "UNDERWRITING," which was obtained from the Underwriters).

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency will have passed upon the adequacy of this Official Statement, or, except for the School District, approved the Bonds for sale.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE INFORMATION PRESENTED IN THIS OFFICIAL STATEMENT CONCERNING THE SCHOOL DISTRICT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOREST HILLS PUBLIC SCHOOLS
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TABLE OF CONTENTS

OFFICIAL STATEMENT
relating to

$173,350,000[1]
FOREST HILLS PUBLIC SCHOOLS
COUNTY OF KENT, STATE OF MICHIGAN
2025 SCHOOL BUILDING AND SITE BONDS, SERIES I
(GENERAL OBLIGATION – UNLIMITED TAX)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices, is to furnish information in connection with the issuance and sale by the Forest Hills Public Schools, County of Kent, State of Michigan (the "School District") of its 2025 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax) (the "Bonds") in the principal amount of $173,350,000[1].

PURPOSE AND SECURITY

On November 7, 2023, the qualified electors of the School District approved a proposal authorizing the issuance of bonds in an amount of not to exceed $340,000,000 to be issued in one or more series. Proceeds of the Bonds in the principal amount of $173,350,000[1], representing the first series of bonds issued under the 2023 authorization, will be used for the purpose of remodeling, equipping and re-equipping and furnishing and refurnishing school buildings; erecting, furnishing and equipping additions to school buildings; acquiring, installing and equipping or re-equipping school buildings for instructional technology; purchasing school buses; erecting furnishing and equipping athletic facilities; and preparing, developing, improving and equipping playgrounds, play fields, athletic fields, athletic facilities and sites; and paying the cost of issuing the Bonds.

The Bonds, as authorized for issuance by the resolutions of the Board of Education of the School District adopted on December 16, 2024, and expected to be adopted on March __, 2025 (together, the "Resolutions"), are a full faith and credit unlimited tax general obligation of the School District. The principal of and interest on the Bonds are payable from the proceeds of ad valorem taxes levied on all taxable property in the School District which may be levied without limitation as to rate or amount.

POTENTIAL FOR BOND INSURANCE

The School District has applied for municipal bond insurance to insure the Bonds, but has not, as of the date hereof, received or accepted a commitment for such insurance. The School District will, together with its financial advisor, evaluate any commitment that is received and determine whether it is cost effective to accept the commitment to insure the Bonds. If the Bonds are insured, information regarding the bond insurance, the bond insurer, and the effect of insurance on the ratings for the Bonds will be included in the final Official Statement.

[1] Preliminary, subject to change.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES
- Par Amount of the Bonds
- Original Issue Premium
- Original Issue Discount
- Total Sources

USES
- Capital Projects Fund
- Underwriters' Discount
- Costs of Issuance for the Bonds
- Total Uses

THE BONDS

Description and Form of the Bonds

The Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of $5,000 or any integral multiple thereof. The Bonds will be dated as of, and bear interest from, the date of issuance. Interest on the Bonds shall be payable semiannually each May 1 and November 1 to maturity or early redemption, commencing November 1, 2025. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months, and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the cover of this Official Statement.

The corporate trust office of The Huntington National Bank, Bryon Center, Michigan, will serve as the paying agent (the "Paying Agent") and also as bond registrar and transfer agent if the Bonds cease to be held in book-entry-only form. Interest on the Bonds shall be payable when due by check or draft to the person or entity who or which is, as of the fifteenth (15th) day of the month preceding each interest payment date, the registered owner of record, at the owner's registered address. For a description of payment of principal and interest, transfers, exchanges on the Bonds, which are held in the book-entry-only system, see "Book-Entry-Only System" below. For a description of transfers and exchanges on the Bonds if the Bonds cease to be held in book-entry-only form, see "Transfer Outside Book-Entry-Only System" below.

Book-Entry-Only System

The information in this section has been furnished by The Depository Trust Company, New York, New York ("DTC"). No representation is made by the School District, the Paying Agent or the Underwriters as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the School District, the Paying Agent or the Underwriters to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the School District nor the Paying Agent will have any responsibility or obligation to Direct Participants, Indirect Participants (both as defined below) or the persons for which they act as nominees with respect to the Bonds, or for any principal, premium, if any, or interest payment thereof.

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and interest and redemption amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the School District or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, interest and redemption amounts, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the School District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

Transfer Outside Book-Entry-Only System

In the event that the book-entry-only system is discontinued, the Paying Agent shall keep the registration books for the Bonds (the "Bond Register") at its corporate trust office. Subject to the further conditions contained in the Resolutions, the Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof at the corporate trust office of the Paying Agent by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Paying Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations; during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or any time following the mailing of any notice of redemption, the Transfer Agent shall not be required to effect or register any transfer or exchange of any bond which has been selected for such redemption, except the Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion; the School District and the Paying Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owners of such Bonds for all purposes under the Resolutions. No transfer or exchange made other than as described above and in the Resolutions shall be valid or effective for any purposes under the Resolutions.

Optional Redemption[1]

The Bonds or portions of the Bonds in multiples of $5,000 maturing on or after May 1, 2036[1], are subject to redemption at the option of the School District in such order as the School District may determine and by lot within any maturity, on any date occurring on or after May 1, 2035[1], at par plus accrued interest to the date fixed for redemption.

Notice of Redemption and Manner of Selection

Notice of redemption of any Bond shall be given not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the Paying Agent. The Bonds shall be called for redemption in multiples of $5,000 and Bonds of denominations of more than $5,000 shall be treated as representing the number of Bonds obtained by dividing the face amount of the Bond by $5,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds in an aggregate face amount equal to the unredeemed portion of the Bond surrendered shall be issued to the registered owner thereof.

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[1] Preliminary, subject to change.

If less than all of the Bonds of any maturity shall be called for redemption prior to maturity, unless otherwise provided, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Paying Agent, in the principal amounts designated by the School District. Any Bonds selected for redemption will cease to bear interest on the date fixed for redemption, whether presented for redemption, provided funds are on hand with the Paying Agent to redeem said Bonds. Upon presentation and surrender of such Bonds at the corporate trust office of the Paying Agent, such Bonds shall be paid and redeemed.

So long as the book-entry-only system remains in effect, in the event of a partial redemption the Paying Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by such partial redemption, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

TAX PROCEDURES

Article IX, Section 3, of the Michigan Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true cash value. The Michigan Legislature by statute has provided that property shall be assessed at 50% of its true cash value, except as described below. The Michigan Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Beginning in 1995, taxable property has two valuations -- State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year, adjusted for losses, and increased or reduced by the lesser of the inflation rate or 5%, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV.

When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

Responsibility for assessing taxable property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local board of review, the Michigan Tax Tribunal, and ultimately to the Michigan appellate courts.

The Michigan Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the county's department of equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in the Official Statement. Property granted tax abatements under Act 198, Public Acts of Michigan, 1974, amended, is recorded on a separate tax roll while subject to tax abatement. The valuation of tax-abated property is based upon SEV but is not included in either the SEV or Taxable Value data in the Official Statement except as noted. Under limited circumstances, other State laws permit the partial abatement of certain taxes for other types of property for periods of up to 12 years.

LEVY AND COLLECTION OF TAXES FOR PAYMENT OF THE BONDS AND BONDHOLDERS' REMEDIES

The Resolutions authorizing the issuance of the Bonds and State law obligate the School District to levy a tax annually in an amount sufficient so that the estimated collections therefrom, together with other amounts, if any, will be sufficient to pay promptly when due the principal of and interest on the Bonds becoming due prior to the time of the next tax levy. The tax levy shall not be subject to limitation as to rate or amount. Taxes for the payment of the principal of or interest on the Bonds are certified for collection each year with the school tax levies. In the event of the failure of the proper officials to certify taxes for the payment of the principal and interest requirements, a timely action in the nature of mandamus could compel certification and collection of adequate taxes.

Registered owners of the Bonds may attempt to obtain a money judgment against the School District for the principal amount of the Bonds or interest not paid when due and may periodically attempt to enforce the collection of the money judgment by requiring the tax assessing officers for the School District to place the amount of such judgment on the next tax rolls of the School District. The rights of the holders of the Bonds and the enforceability thereof are subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement also may be subject to the exercise of judicial discretion in appropriate cases.

SOURCES OF SCHOOL OPERATING REVENUE

On March 15, 1994, the electors of the State of Michigan approved a ballot proposition to amend the State Constitution of 1963, in part, to increase the State sales tax from 4% to 6% as part of a complex plan to restructure the source of funding of public education (K-12) in order to reduce reliance on local property taxes for school operating purposes and to reduce the per pupil finance resource disparities among school districts.

The State school aid package passed by the Legislature as part of the school finance reform legislation instituted a per pupil foundation allowance beginning in fiscal year 1994/95. With the passage of Public Act 48 of 2021, the Legislature eliminated the foundation allowance range in 2021/22 that had been in place since the passage of the school finance reform legislation in 1994. In Public Act 120 of 2024 ("PA 120"), the Legislature established a 2024/25 target foundation allowance of $9,608 per pupil. In the future, the foundation allowance may be adjusted annually by an index based upon the change in revenues to the State school aid fund and change in the total number of pupils statewide. The foundation allowance is funded by locally raised property taxes plus State school aid. The revenues for the State's contribution to the foundation allowance are derived from a mix of taxing sources, including, but not limited to, a statewide property tax of 6 mills on all taxable property[1], a State sales and use tax, a real estate transfer tax and a cigarette tax.

Generally, school districts are required to levy a local property tax of not more than 18 mills or the number of mills levied in 1993 for school operating purposes, whichever is less, on non-homestead properties[2] in order for the school district to receive its per pupil foundation allowance. An intermediate school district may seek voter approval for up to three enhancement mills for distribution to local constituent school districts on a per pupil basis. Proceeds of the enhancement mills are not counted toward the foundation allowance. The Kent Intermediate School District has received voter approval for a 0.9 mill enhancement millage (currently reduced to 0.8578 mill) to be levied through 2026 and which is distributed to all qualified schools within its boundaries, including the School District, on a per pupil basis. The School District anticipates receiving approximately $325 per pupil from that millage in 2024/25. Furthermore, school districts whose per pupil foundation allowance in 2024/25 calculates to an amount in excess of $9,608 are authorized to levy additional millage to obtain the foundation allowance, first by levying such amount of the 18 mills against

[1] "Taxable property" in this context does not include industrial personal property.

[2] "Non-homestead property" includes all taxable property other than principal residence, qualified agricultural property, qualified forestry property, supportive housing property, property occupied by a public school academy, and industrial personal property. Commercial personal property, to the extent not otherwise exempt, is exempt from the first 12 mills of not more than 18 mills levied by school districts.

homestead property[1] as is necessary to hold themselves harmless and, if the 18 mills is insufficient, to then levy such additional mills against all property uniformly as is necessary to obtain the foundation allowance. The School District's 2024/25 per pupil foundation allowance does not exceed $9,608, and the School District does not levy such additional millage.

State aid appropriations and the payment schedule for State school aid may be changed by the Legislature at any time. If the amount appropriated from the State school aid fund exceeds the amount available for expenditure for a fiscal year, in the absence of overriding legislative action by the Legislature, the School Aid Act subjects most state aid payable to school districts for that fiscal year to an automatic proration on a per pupil basis in an amount necessary to eliminate the portion of the overage attributable to the appropriation to all school districts. See "STATE AID PAYMENTS" in APPENDIX A.

Public Act 103 of 2023 amended the State School Aid Act for the 2023/24 fiscal year increasing the School District's foundation allowance to $9,608 per pupil.

PA 120 amended the State School Aid Act for the 2024/25 fiscal year maintaining the School District's foundation allowance at $9,608 per pupil.

Pursuant to PA 120, the School District may be eligible to receive various categorical grants for specific purposes, such as special education, "at-risk" students, meal programs, early education, career and technical education programs, and other instructional and non-instructional programs. The annual amendments to the State School Aid Act determine the type and amount of those categorical funds. For further information regarding the School District's receipt of categorical funds for the 2023/24 fiscal year, see the School District's audited financial statements in APPENDIX C.

In 2020 and 2021, the U.S. Congress passed three stimulus bills providing financial support to public schools through the Elementary and Secondary School Emergency Relief Fund ("ESSER Funds"). Based on the three separate federal stimulus bills the ESSER funding is generally referred to as "ESSER I Funds," "ESSER II Funds," and "ESSER III Funds," respectively.

As required under Michigan law, available ESSER Funds have been appropriated and allocated to qualifying school districts. The School District has been awarded $168,110 of the ESSER I Funds; $893,495 of the ESSER II Funds; and $10,519,972 of the ESSER III Funds. ESSER Funds already received by the School District are incorporated into the information in APPENDIX B and APPENDIX C. The School District may have received additional payments related to the ESSER Funds.

THE SOURCES OF THE SCHOOL DISTRICT'S OPERATING REVENUE DO NOT IMPACT THE TAXING AUTHORITY OF THE SCHOOL DISTRICT FOR PAYMENT OF GENERAL OBLIGATION UNLIMITED TAX SCHOOL BONDS AND DO NOT AFFECT THE OBLIGATION OF THE SCHOOL DISTRICT TO LEVY TAXES FOR PAYMENT OF DEBT SERVICE ON GENERAL OBLIGATION UNLIMITED TAX BONDS OF THE SCHOOL DISTRICT, INCLUDING THE BONDS OFFERED HEREIN.

MICHIGAN PROPERTY TAX REFORM

On November 5, 2013, March 28, 2014, and April 1, 2014, a package of bills amended and replaced legislation enacted in 2012 to phase-out most personal property taxation in Michigan. The bills were contingent on Michigan voters approving a ballot question authorizing a new municipal entity, the Local Community Stabilization Authority ("LCSA"), to levy a local component of the statewide use tax and distribute that revenue to local units of government to offset their revenue losses resulting from the personal property tax reform. On August 5, 2014, voters approved that ballot question.

The bill package, together with the original 2012 legislation, created two new exemptions from the personal property tax. Under the "small taxpayer exemption," the commercial and industrial personal property of each owner with a combined true cash value in a local tax collecting unit of less than $80,000

[1] "Homestead property", in this context, means principal residence, qualified agricultural property, qualified forestry property, supportive housing property, property occupied by a public school academy, certain industrial personal property and certain commercial personal property, to the extent not otherwise exempt.

became exempt from ad valorem taxes in that collecting unit beginning in 2014, with such threshold being increased by the legislature to a combined true cash value in a local tax collecting unit of less than $180,000 beginning in 2023. For businesses that do not qualify for the "small taxpayer exemption," all "eligible manufacturing personal property" (personal property used more than 50% of the time in industrial processing or direct integrated support) purchased and placed into service before 2006 or during or after 2013 became exempt beginning in 2016. Taxation on "eligible manufacturing personal property" placed into service after 2006 but before 2013 will be phased-out over time; with the exemption taking effect after the property has been in service for the immediately preceding 10 years. The legislation extends certain personal property tax exemptions and tax abatements for technology parks, industrial facilities and enterprise zones that were to expire after 2012, until the voter approved personal property tax exemptions take effect.

Pursuant to voter approval in August 2014, the legislation also includes a formula to reimburse school districts for 100% of their lost operating millage revenue and lost sinking fund millage revenue. To provide the reimbursement, the legislation reduces the state share of the use tax and authorizes the LCSA to levy a local component of the use tax and distribute that revenue to qualifying local units. However, the reimbursement for the school district's operating millage will come from the State use tax component, which is deposited into the State school aid fund.[1] While the legislation provides reimbursement for prospective school operating losses, pursuant to legislative changes made in 2020, the School District will be reimbursed for debt millage calculated pursuant to a statutory formula.

LITIGATION

The School District has not been served with any litigation, administrative action or proceeding, and to the knowledge of the appropriate officials of the School District no litigation or administrative action or proceeding has been threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, or questioning or contesting the validity of the Bonds or the proceedings or authorities under which they are authorized to be issued, sold, executed and delivered. A certificate to such effect will be delivered to the Underwriters at the time of the original delivery of the Bonds.

TAX MATTERS

State

In the opinion of Thrun Law Firm, P.C., East Lansing, Michigan ("Bond Counsel"), based on its examination of the documents described in its opinion, under existing State of Michigan statutes, regulations, rulings and court decisions, the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

Federal

In the opinion of Bond Counsel, based upon its examination of the documents described in its opinion, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds held by an "applicable corporation" as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code") is included in annual "adjusted financial statement income" for purposes of calculating the alternative minimum tax imposed on an applicable corporation. The opinions set forth in the preceding sentence are subject to the condition that the School District comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The School District has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross

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[1] A school district that increases its millage rate, without voter approval, to replace debt millage revenue loss would not be eligible to receive reimbursement distributions. Because much of the reimbursement funds are deposited into the State school aid fund, the legislature may, in the future, change the funding formulas in the State School Aid Act of 1979 or appropriate funds therein for other purposes.

income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Bond Counsel will express no opinion regarding other federal tax consequences with respect to the Bonds.

There are additional federal tax consequences relative to the Bonds and the interest thereon. The following is a general description of some of these consequences but is not intended to be complete or exhaustive and investors should consult with their tax advisors with respect to these matters. Prospective purchasers of the Bonds should be aware that (i) interest on the Bonds is included in the effectively connected earnings and profits of certain foreign corporations for purposes of calculating the branch profits tax imposed by Section 884 of the Code, (ii) interest on the Bonds may be subject to a tax on excess net passive income of certain S Corporations imposed by Section 1375 of the Code, (iii) interest on the Bonds is included in the calculation of modified adjusted gross income for purposes of determining the taxability of social security or railroad retirement benefits, (iv) the receipt of interest on the Bonds by life insurance companies may affect the federal tax liability of such companies, (v) in the case of property and casualty insurance companies, the amount of certain loss deductions otherwise allowed is reduced by a specific percentage of, among other things, interest on the Bonds, (vi) holders of the Bonds may not deduct interest on indebtedness incurred or continued to purchase or carry the Bonds, and (vii) commercial banks, thrift institutions and other financial institutions may not deduct their costs of carrying certain obligations such as the Bonds.

Original Issue Premium[1]

For federal income tax purposes, the initial offering prices to the public (excluding bond houses and brokers) of certain Bonds, as set forth on the cover of this Official Statement, may be greater than the stated redemption prices at maturity (the "Premium Bonds"), and constitutes for the original purchasers of the Premium Bonds an amortizable bond premium. Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of a taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such Premium Bonds.

Original Issue Discount[1]

The initial public offering prices of certain Bonds, as set forth on the cover page of this Official Statement, may be less than the stated redemption prices at maturity (hereinafter referred to as the "OID Bonds"), and, to the extent properly allocable to each owner of such OID Bond, the original issue discount is excludable from gross income for federal income tax purposes with respect to such owner. Original issue discount is the excess of the stated redemption price at maturity of an OID Bond over the initial offering price to the public (excluding bond houses and brokers) at which price a substantial amount of the OID Bonds were sold. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. For an owner who acquires an OID Bond in this offering, the amount of original issue discount that accrues during any accrual period generally equals (i) the issue price of such OID Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity on such OID Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such OID Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's tax basis in such OID Bond. Any gain realized by an owner from a sale, exchange, payment or redemption of an OID Bond would be treated as gain from the sale or exchange of such OID Bond. Owners of OID Bonds should consult with their individual tax advisors to determine whether the application of the original issue discount federal regulations will require them to include, for state and local income tax purposes, an amount of interest on the OID Bonds as income even though no corresponding cash interest payment is actually received during the tax year.

[1] Preliminary, subject to change.

Future Developments

No assurance can be given that any future legislation or clarifications or amendments to the Code or to Michigan statutes, if enacted into law, will not contain proposals which could cause the interest on the Bonds to be subject directly or indirectly to federal or State income taxation, adversely affect the market price or marketability of the Bonds, or otherwise prevent bondholders from realizing the full current benefit of the status of the interest thereon.

Furthermore, no assurance can be given that the impact of any future court decisions will not cause the interest on the Bonds to be subject directly or indirectly to federal or State income taxation, adversely affect the market price or marketability of the Bonds, or otherwise prevent bondholders from realizing the full current benefit of the status of the interest thereon.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS, INCLUDING THE TREATMENT OF ORIGINAL ISSUE PREMIUM OR ORIGINAL ISSUE DISCOUNT, IF ANY.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, issuance and sale by the School District of the Bonds are subject to the approving opinion of Thrun Law Firm, P.C., East Lansing, Michigan, Bond Counsel. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds, Bond Counsel has made no inquiry as to any financial information, statements or materials contained in any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial information, statements or materials.

Certain legal matters will be passed upon for the Underwriters by their counsel, Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan.

APPROVAL BY MICHIGAN DEPARTMENT OF TREASURY

The School District has received a letter from the Department of Treasury of the State of Michigan stating that the School District is in material compliance with the criteria of the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended, for a municipality to be granted qualified status. The School District may therefore issue the Bonds without further approval from the Department of Treasury of the State of Michigan.

RATING

Moody's Investors Service ("Moody's") will assign, as of the date of delivery of the Bonds, its municipal bond rating of "___" to the Bonds.

No application has been made to any other ratings service for a rating on the Bonds. The School District furnished to Moody's certain materials and information in addition to that provided herein. Generally, rating agencies base their ratings on such information and materials, and on investigations, studies and assumptions. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse affect on the market price of the Bonds. Any ratings assigned represent only the views of Moody's. Further information is available upon request from Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone: (212) 553-0377.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated, Huntington Securities, Inc., dba Huntington Capital Markets and Raymond James & Associates, Inc. (collectively, the "Underwriters"), have agreed, subject to the terms of the Bond Purchase Agreement, to purchase the Bonds from the School District. The Bond Purchase Agreement provides, in part, that the Underwriters, subject to certain conditions, will purchase from the School District the aggregate principal amount of Bonds for a purchase price as set forth therein. The Underwriters have further agreed to offer the Bonds to the public at the approximate initial offering prices corresponding to the yields as set forth on the cover hereto. The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices corresponding to the yields stated on the cover hereto. The offering prices may be changed from time to time by the Underwriters. The aggregate underwriting fee for the Bonds equals _____ percent of the aggregate principal amount of the Bonds.

The Bond Purchase Agreement provides that the obligations of the Underwriters are subject to certain conditions, including, among other things, that (i) no event has occurred which impairs or threatens to impair the validity of the Bonds or the status of the Bonds or the interest thereon as exempt from taxation in the State of Michigan and interest on the Bonds is excluded from gross income for federal income tax purposes (except as described under the heading "TAX MATTERS" herein), and (ii) proceedings relating to the Bonds are not pending or threatened by the Securities and Exchange Commission. The Bond Purchase Agreement further provides that the School District will provide to the Underwriters, within seven business days of the date of the Bond Purchase Agreement, an electronic copy of the Official Statement to enable the Underwriters to comply with the requirements of Rule 15c2-12(b)(4) under the Securities Exchange Act of 1934, as amended.

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

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

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

MUNICIPAL ADVISOR'S OBLIGATION

The School District has retained PFM Financial Advisors LLC, of Ann Arbor, Michigan, as municipal financial advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. In preparing portions of the Official Statement, the Municipal Advisor has relied upon governmental officials and other sources which have access to relevant data, to provide accurate information for the Official Statement and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. To the best of the Municipal Advisor's knowledge and belief, the information contained in the Official Statement, which it assisted in preparing, while it may be summarized, is complete and accurate. The Municipal Advisor is not a public accounting firm and has not been engaged by the School District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds. PFM Financial Advisors LLC is registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a municipal advisor.

Requests for information concerning the School District should be addressed to PFM Financial Advisors LLC, 555 Briarwood Circle, Suite 333, Ann Arbor, Michigan 48108, telephone: (734) 994-9700.

CONTINUING DISCLOSURE

Prior to delivery of the Bonds, the School District will execute a Continuing Disclosure Agreement (the "Agreement") for the benefit of the holders of the Bonds and the Beneficial Owners (as hereinafter defined under this caption only) to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. "Beneficial Owner" means, under this caption only, any person, which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or any other intermediaries). The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Agreement, are set forth in "APPENDIX E: Form of Continuing Disclosure Agreement." Additionally, the School District shall provide certain annual financial information and operating data generally consistent with the information contained within the tables under the headings "ENROLLMENT - Historical Enrollment," "STATE AID PAYMENTS," "PROPERTY VALUATIONS - History of Valuations," "MAJOR TAXPAYERS," "SCHOOL DISTRICT TAX RATES - (Per $1,000 of Valuation)," "TAX LEVIES AND COLLECTIONS," "RETIREMENT PLAN – Contribution to MPSERS," "LABOR RELATIONS," "DEBT STATEMENT - DIRECT DEBT," in APPENDIX A and General Fund Budget Summary in APPENDIX B.

A failure by the School District to comply with the Agreement will not constitute an event of default under the Resolutions and Beneficial Owners of the Bonds are limited to the remedies described in the Agreement. A failure by the School District to comply with the Agreement must be reported by the School District in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The School District has not, in the previous five years, failed to comply in any material respect with any previous continuing disclosure agreements or undertaking executed by the School District pursuant to the Rule.

OTHER MATTERS

All information contained in this Official Statement, in all respects, is subject to the complete body of information contained in the original sources thereof. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

The School District certifies that to its best knowledge and belief, this Official Statement, insofar as it pertains to the School District and its economic and financial condition, is true and correct as of the date of this Official Statement, and does not contain, nor omit, any material facts or information which would make the statements contained herein misleading.

FOREST HILLS PUBLIC SCHOOLS
COUNTY OF KENT
STATE OF MICHIGAN

By: ______________________
Its: Superintendent of Schools

APPENDIX A[1]

FOREST HILLS PUBLIC SCHOOLS

GENERAL FINANCIAL, ECONOMIC AND SCHOOL INFORMATION

LOCATION AND AREA

Forest Hills Public Schools (the "School District") encompasses an area of approximately 68 square miles. The School District includes portions of the Cities of Grand Rapids and Kentwood and portions of the Townships of Ada, Cannon, Cascade and Grand Rapids in the County of Kent.

The School District is located the following distances from these commercial and industrial areas:

50	miles southeast of Muskegon
60	miles northwest of Lansing
147	miles northwest of Detroit
187	miles northeast of Chicago

POPULATION

The U.S. Census reported and 2023 estimated populations for the School District and the Townships of Grand Rapids, Cascade and Ada are as follows:

	School District	Township of Grand Rapids	Township of Cascade	Township of Ada
2023 Estimate	52,275	18,934	19,701	14,413
2020 U.S. Census	52,141	18,905	19,667	14,388
2010 U.S. Census	46,642	16,661	17,134	13,142

Source: U.S. Census Bureau via data.census.gov website

BOARD OF EDUCATION

The Board of Education (the "Board") consists of seven members who are elected at large and serve overlapping terms. The Board annually elects a President, Vice President, Treasurer and Secretary. The Board is responsible for the selection and appointment of the Superintendent of Schools. The Board meets as a single body to set or amend policy, develop long-range educational goals and act upon recommendations of the Superintendent of Schools. The Board is also responsible for adopting and periodically amending the operating budget and evaluating school programs in accordance with governing laws.

[1]Information included in APPENDIX A of this Official Statement was obtained from the School District unless otherwise noted.

ENROLLMENT

Historical Enrollment

Historical fall enrollment for the School District is as follows:

School Year End 30-Jun	Full-Time Equivalent	Change	School Year End 30-Jun	Full-Time Equivalent	Change
2025	8,832*	-2.54%	2020	9,706	-0.56%
2024	9,062	-1.38	2019	9,761	-0.69
2023	9,189	-1.36	2018	9,829	-0.56
2022	9,316	-0.27	2017	9,884	-0.83
2021	9,341	-3.76	2016	9,967	--

*Unaudited.

2024/2025 Fall Count*

Kindergarten	537	8th	686
1st	593	9th	716
2nd	610	10th	683
3rd	681	11th	680
4th	694	12th	730
5th	690	Sub-Total	8,649
6th	684	Special Ed.	183
7th	665	Total	8,832

*Unaudited.
Source: School District and Michigan Department of Education via website www.michigan.gov

SCHOOL DISTRICT FACILITIES

The following is a table showing the existing School District facilities.

Facility	Grades Served	Year Built	Last Remodel/Additions	Type of Construction
Elementary Schools:				
Ada	K - 4	1968	2009	Masonry
Collins	K - 4	1954	2023	Masonry
Meadow Brook	K - 4	1992	2010	Masonry
Pine Ridge	K - 4	1975	2010	Masonry
Thornapple	K - 4	1959	2022	Masonry
Ada Vista	K - 4	1971	2024	Masonry
Knapp Forest	K - 5	2003	2010	Masonry
Orchard View	K - 5	1959	2022	Masonry
Goodwillie Environmental	5 - 6	2000	2009	Wood Frame
Central Woodlands	5 - 6	1997	2010	Masonry
Northern Trails	5 - 6	1997	2009	Masonry
Middle Schools:				
Central	7 - 8	1965	2023	Masonry
Northern Hills	7 - 8	1977	2008	Masonry
Middle/High School:				
Eastern	6-12	2004	2021	Masonry
High Schools:				
Central	9 - 12	1956	2009	Masonry
Northern	9 - 12	1972	2021	Masonry
Other Facilities:				
Administration Building*	--	1951	--	Masonry
Administration Building	--	2024	--	Masonry
Community and Aquatic Center	--	1990	2009	Masonry
Forest Hills Fine Arts Center	--	2004	--	Masonry
Operations / Food Service	--	2000	--	Masonry

*Vacant.

OTHER SCHOOLS

The following are the private, charter, or parochial schools located within the School District's boundaries:

Name of School	Grades Served	Approximate Enrollment
Ada Christian School	P - 8	589
Journey Academy	K-9	20
Knapp Charter Academy	Y5-8	430
Ridge Park Charter Academy	Y5-8	507
St. Robert Catholic School	P - 2	80
		1,626

Source: 2025 Michigan Education Directory

STATE AID PAYMENTS

The School District's primary source of funding for operating costs is the State School Aid per pupil foundation allowance. Public Act 120 of 2024 has set the target foundation allowance at $9,608 for fiscal year 2024/2025.

In future years, this allowance may be adjusted by an index based upon the change in revenues to the state school aid fund and the change in the total number of pupils statewide. The State may reduce State School Aid appropriations at any time if the State's revenues do not meet budget expectations. See "SOURCES OF SCHOOL OPERATING REVENUE" herein for additional information.

The following table shows a five-year history and a current estimate of the School District's total state aid revenues, including categoricals and other amounts, and the per pupil state aid foundation allowance (including the 2024/25 allowance), which reflects the changes in sources of school operating revenue described herein:

Fiscal Year End 30-Jun	Foundation Allowance per Pupil	Total State Aid Payments[1]	Blended Pupil Count	Amount Received per Pupil[2]
2025	$9,608	$87,140,991[3]	8,853.30[3]	$9,843[3]
2024	9,608	96,212,722	9,076.67	10,600
2023	9,150	91,506,676	9,200.32	9,946
2022	8,700	78,339,254	9,319.34	8,406
2021	8,529	80,753,064[4]	9,624.86	8,390[4]
2020	8,529	78,753,472[5]	9,708.81	8,112[5]

[1]Includes payments received for MPSERS UAAL rate stabilization. See "Contribution to MPSERS" herein.
[2]Represents the "Total State Aid Payments" divided by the "Blended Pupil Count".
[3]Preliminary estimate, subject to change.
[4]Public Act 165 of 2020 restored the State school aid reductions contained in Public Act 146 of 2020 for the 2020/21 fiscal year, added a onetime $65 per pupil payment and added other appropriations for qualifying school districts.
[5]Public Act 146 of 2020 provided for a prorated reduction in State school aid payments to the School District, but also provided for additional funds from the federal Coronavirus Aid, Relief, and Economic Security Act to offset the state aid loss and provided additional funds to school districts.
Source: Michigan Department of Education via website www.michigan.gov

PROPERTY VALUATIONS

In accordance with Act No. 539, Public Acts of Michigan, 1982, and Article IX, Section 3 of the Michigan Constitution, the ad valorem State Equalized Valuation (SEV) represents 50% of true cash value. SEV does not include any value of tax exempt property (e.g. churches, governmental property) or property granted tax abatements under Act No. 198, Public Acts of Michigan, 1974, as amended. **Since 1994, ad valorem property taxes are assessed on the basis of Taxable Value, which is subject to assessment caps. SEV is used in the calculation of debt margin and true cash value**. See **"TAX PROCEDURES"** herein for further information.

Taxable property in the School District is assessed by the local municipal assessor, and is subject to review by the County Equalization Department.

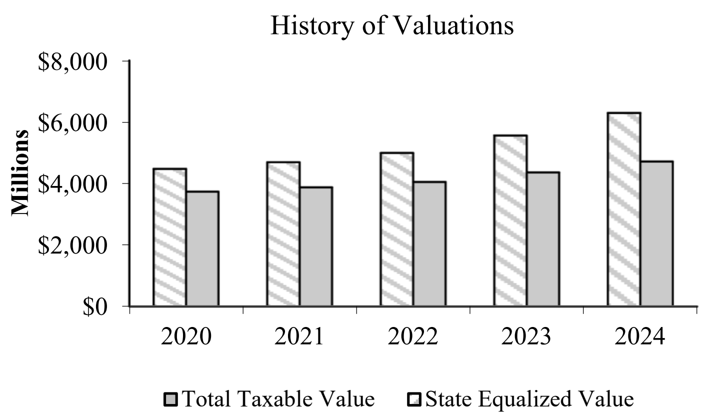
History of Valuations

A history of the property valuations in the School District is shown below:

Year	Principal Residence[1]	Non- Principal Residence[1]	Total Taxable Value	Percent Change	State Equalized Value	Percent Change
2024	$3,393,360,830	$1,318,482,855	$4,711,843,685	8.09%	$6,294,007,639	13.19%
2023	3,161,243,430	1,197,830,608	4,359,074,038	7.72	5,560,638,600	11.37
2022	2,960,730,584	1,085,795,227	4,046,525,811	4.44	4,992,797,000	6.42
2021	2,818,615,620	1,055,930,382	3,874,546,002	3.81	4,691,618,300	4.90
2020	2,716,178,682	1,016,002,964	3,732,181,646	----	4,472,332,742	----

[1]All industrial personal property is included in the principal residence tax base. While commercial personal property continues to be included in the non-principal residence tax base, it is exempt from 12 of the 18 operating mills levied on non-principal residence property only. In 2024, industrial personal property had a taxable value of $169,616,833 and commercial personal property had a taxable value of $100,898,900 in the School District.

Source: Kent County Equalization Department



A summary of the 2024 valuation is as follows:

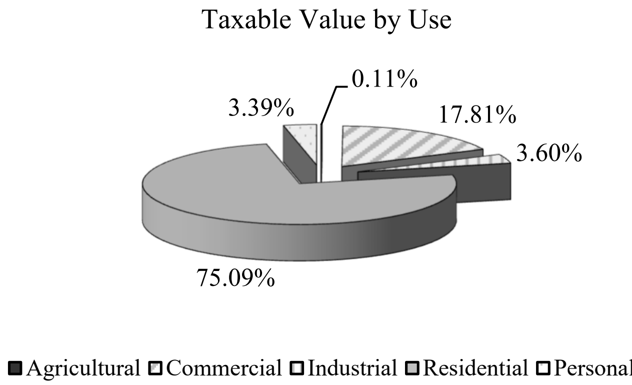
2024 Taxable Value	$4,711,843,685
Plus: 2024 Equivalent IFT Taxable Value[1]	11,441,778
Total 2024 Equivalent Taxable Value	$4,723,285,463
'Less: 2024 Disabled Veterans Exemption Taxable Value[2]	(11,421,284)
'Net 2024 Taxable Value	$4,711,864,179

[1]See "INDUSTRIAL FACILITY TAX ABATEMENTS" herein.
[2]Represents value which is exempt from taxes pursuant to Michigan's General Property Tax Act Section 7b, MCL 211.7b, which states real property used and owned as a homestead by either (1) a disabled veteran who was discharged from the United States armed forces under honorable conditions or (2) the disabled veteran's un-remarried, surviving spouse is exempt from property taxes, subject to certain application requirements.
Source: Kent County Equalization Department

Tax Base Composition

A breakdown of the School District's 2024 Taxable Value by class and use is as follows:

By Class:	2024 Taxable Value	Percent of Total
Real Property	$4,552,075,785	96.61%
Personal Property	159,767,900	3.39
TOTAL	$4,711,843,685	100.00%
By Use:		
Agricultural	$5,105,046	0.11%
Commercial	839,012,909	17.81
Industrial	169,616,833	3.60
Residential	3,538,340,997	75.09
Personal	159,767,900	3.39
TOTAL	$4,711,843,685	100.00%



A breakdown of the School District's 2024 Taxable Value by municipality is as follows:

Municipality	Total Taxable Value	Percent of Total
County of Kent		
City of Grand Rapids	$111,846,755	2.38%
City of Kentwood	240,866,950	5.11
Township of Ada	1,262,012,070	26.78
Township of Cannon	13,579,883	0.30
Township of Cascade	1,817,418,906	38.57
Township of Grand Rapids	1,266,119,121	26.86
TOTAL	$4,711,843,685	100.00%

Source: Kent County Equalization Department

INDUSTRIAL FACILITY TAX ABATEMENTS

Under the provisions of Act 198 of the Public Acts of Michigan, 1974 ("Act 198"), plant rehabilitation districts and/or industrial development districts may be established. Businesses in these districts are offered certain property tax incentives to encourage restoration or replacement of obsolete facilities and to attract new facilities to the area. An industrial facilities tax ("IFT") is paid, at a lesser effective rate and in lieu of ad valorem property taxes, on such facilities for a period of up to 12 years. Qualifying facilities are issued abatement certificates for specific periods.

After expiration of the abatement certificate, the then-current SEV of the facility is returned to the ad valorem tax roll. The owner of such facility may obtain a new certificate, provided it has complied with the provisions of Act 198.

The 2024 Taxable Value for the properties which have been granted IFT abatements within the School District's boundaries is $21,104,987 for new facility IFT's, all of which is taxed at half rate and $889,284 for rehab IFT's which remains frozen. For purposes of computing "Equivalent" Taxable Value, new facility IFT's have been shown at 50% of the Taxable Value and rehab IFT's have been shown at 100% of the Taxable Value, for a total "Equivalent" taxable value of $11,441,778.

Source: Kent County Equalization Department

TAX INCREMENT AUTHORITIES

Act 57 of the Public Acts of Michigan, 2018, as amended (the "Recodified Tax Increment Financing Act") and Act 381 of the Public Acts of Michigan, 1996, as amended (the "Brownfield Act") (together the "TIF Acts") authorize the designation of specific districts known as Tax Increment Finance Authority ("TIFA") Districts, Downtown Development Authority ("DDA") Districts, Local Development Finance Authority ("LDFA") Districts, Corridor Improvement Authority ("CIA") Districts or Brownfield Redevelopment Authority ("BRDA") Districts, which are authorized to formulate tax increment financing plans for public improvements, economic development, neighborhood revitalization, historic preservation and environmental cleanup within the district.

Tax increment financing permits the TIFA, DDA, LDFA, CIA or BRDA to capture tax revenues attributable to increases in value ("TIF Captured Value") of real and personal property located within an approved development area while any tax increment financing plans by an established district are in place. These captured revenues are used by the District and are not passed on to the local taxing jurisdictions.

The Township of Ada has one DDA District and one BRDA District within the School District's boundaries. The DDA District and BRDA District do not capture the School District's operating, debt or recreational millage levies.

The Township of Cascade has one DDA District within the School District's boundaries. The DDA District does not capture the School District's operating, debt or recreational millage levies.

Source: Treasurers of Township of Ada and Township of Cascade

MAJOR TAXPAYERS

Shown below are the ten largest taxpayers in the School District based on their 2024 total valuation subject to taxation.

Taxpayer	Product/Service	2024 Taxable Value	"Equivalent" IFT Value[1]	2024 Total Valuation
Amway Corp	Manufacturing/Marketing	$87,610,829	$0	$87,610,829
Consumers Energy	Utility	34,803,461	0	34,803,461
Access Logistics LLP/Access Business Group LLC	Trucking	20,829,905	8,478,292	29,308,197
Continental 627 Fund LLC	Apartments	21,985,155	0	21,985,155
Meijer Inc.	Department Store	21,810,786	0	21,810,786
Country Club Manor LLC ETAL	Apartments	15,870,474	0	15,870,474
Porter Hills Presbyterian Village	Retirement Home	15,772,847	0	15,772,847
BHIP Stone Falls LLC	Apartments	15,677,000	0	15,677,000
Continental 362 Fund LLC	Apartments	14,718,074	0	14,718,074
East Beltline Development II LLC	Developer	12,006,757	0	12,006,757
TOTALS		$261,085,288	$8,478,292	$269,563,580
Total 2024 Values		$4,711,843,685		$4,723,285,463
Top 10 Taxpayers as a % of 2024 Total Values		5.54%		5.71%

[1]Represents 50% of the actual Taxable Value.
Source: Kent County Equalization Department

CONSTITUTIONAL MILLAGE ROLLBACK

Article IX, Section 31 of the Michigan Constitution (also referred to as the "Headlee Amendment") requires that if the total value of existing taxable property (Taxable Valuation) in a local taxing unit, exclusive of new construction and improvements, increases faster than the U.S. Consumer Price Index from one year to the next, the maximum authorized tax rate for that local taxing unit must be reduced through a Millage Reduction Fraction unless new millage is authorized by a vote of the electorate of the local taxing unit.

SCHOOL DISTRICT TAX RATES - (Per $1,000 of Valuation)

The following table shows the total School District tax rates for the past five years.

	2024	2023	2022	2021	2020
Operating – Voted	18.0000	17.6614	17.6614	17.7824	17.8467
Voted Recreation	0.9946	0.9815	0.9815	0.9845	0.9901
Debt	6.0500	6.0500	6.0500	6.1000	6.6500
Total Non-Principal Residence	25.0446	24.6929	24.6929	24.8669	25.4868
Total Principal Residence	7.0446	7.0315	7.0315	7.0845	7.6401

The School District levies voted operating millage on non-principal residence property and authorized debt and recreation millage on all taxable property within the School District. The voted operating millage expires with the 2025 levy. The recreation millage expires with the 2033 levy.

OTHER JURISDICTIONS' TAX RATES - (Per $1,000 of Valuation)

The following table provides the 2024 and 2023 tax rates for select units of government that overlap with the School District's boundaries.

	2024	2023
State Education Tax	6.0000	6.0000
Kent County	6.0494	6.0971
City of Grand Rapids	8.9544	9.0325
City of Kentwood	12.3127	10.4780
Township of Ada	4.3697	4.4168
Township of Cannon	2.6451	2.6466
Township of Cascade	3.9964	3.4312
Township of Grand Rapids	1.5000	1.5000
Kent ISD*	5.4020	5.4447
Grand Rapids Community College	1.6951	1.7085

[1]Includes a voter approved enhancement millage of 0.8578 mills. The School District expects to receive approximately $2,883,220 in fiscal year 2024/25 from the regional enhancement millage based on its pupil membership count.
Source: Kent County Equalization Department

TAX LEVIES AND COLLECTIONS

The School District's fiscal year begins July 1 and ends June 30. School District property taxes are due July 1 of each fiscal year in the City of Grand Rapids, on December 1 of each fiscal year in Cannon Township, and on July 1, and December 1 of each fiscal year in the City of Kentwood and the remaining townships. The taxes are payable without interest on or before July 31 in the City of Grand Rapids, February 14 in Cannon Township, September 1 and February 14 in the City of Kentwood and September 14 and February 14 in the remaining Townships, and without penalty on or before the following February 14. All real property taxes remaining unpaid on March 1st of the year following the levy are turned over to the County Treasurer for collection. Kent County (the "County") annually pays from its Tax Payment Funds delinquent taxes on real property to all taxing units in the County, including the School District, shortly after the date delinquent taxes are returned to the County Treasurer for collection.

A history of tax levies and collections for the School District is as follows:

Levy Year	Operating Tax Levy	Collections to March 1, Each Year		Collections Plus Funding to June 30, Each Year	
2024	$23,895,600*	In Process of Collection		N/A	
2023	20,433,424	$20,121,786	98.47%	$20,433,636	100.00%
2022	18,618,170	18,296,023	98.27	18,614,485	99.98
2021	18,366,844	18,222,325	99.21	18,336,550	99.84
2020	18,179,924	17,897,631	98.45	18,157,267	99.88
2019	17,549,749	17,295,551	98.55	17,533,268	99.91

*Estimated.

RETIREMENT PLAN

For the period October 1 through September 30, the School District pays an amount equal to a percentage of its employees' wages to the Michigan Public School Employees Retirement System ("MPSERS"), which is a statewide retirement plan for employees of Michigan public schools administered by the State of Michigan. These contributions are established and required by law and are calculated by using the contribution rates as determined annually by the State.

MPSERS is a cost-sharing, multi-employer, statewide plan. Pension benefits, and retiree health benefits, are established by law and funded through employer contributions. The cost of retiree health benefits is funded annually on a pay-as-you-go basis, with retirees paying some of the costs. Current year liability for retiree health benefits is reflected in the figures provided below. Further information regarding MPSERS, including retiree health benefits, can be found at www.michigan.gov/orsschools.

Public Act 75 of 2010 ("Act 75") significantly modified MPSERS and among other provisions required all employees hired after July 1, 2010 to participate in a new Pension Plus Plan which provides a combined defined benefit and defined contribution structure. Public Act 92 of 2017 ("Act 92") further modified MPSERS for all employees hired on or after February 1, 2018. Act 92 requires all employees hired on or after February 1, 2018 to elect to participate in a new 401(k) style defined contribution plan or a new hybrid plan with different assumptions and cost sharing.

Contribution to MPSERS

The School District's estimated annual contribution to MPSERS for the 2024-25 fiscal year and the previous four fiscal years are shown below:

Fiscal Year Ended 30-Jun	Pension Amount	Health Care Amount	Total Amount	State Aid MPSERS Direct Offset Payments[2]
2025[1]	$26,996,452	$5,399,290	$32,395,742	$8,190,704
2024	25,109,448	5,299,149	30,408,597	12,246,495
2023	29,203,718	5,077,189	34,280,907	17,745,077
2022	21,180,572	4,999,425	26,179,997	9,940,553
2021	18,356,199	4,873,960	23,230,159	8,092,631

[1]Estimated.
[2]Represents the amount the School District received in state aid categorical revenue (Section 147c MPSERS UAAL Rate Stabilization and One-Time Deposits) to directly pay for a portion of the School District's MPSERS unfunded liability. This amount is included in the Total Amount shown in the table above.

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The School District implemented GASB 68 in its year ended June 30, 2015 financial statements. In its June 30, 2024 financial statements, the School District reported a proportionate share of the net pension liability of $206,158,983 as of September 30, 2023.

Effective for fiscal years beginning after June 15, 2017, GASB Statement 75 requires all reporting units in a multi-employer cost sharing OPEB plan to record a balance sheet liability for their proportionate share of the net OPEB liability of the plan. The School District implemented GASB 75 in its year ended June 30, 2018 financial statements. In its June 30, 2024 financial statements, the School District reported a proportionate share of the net OPEB asset of $3,513,881 as of September 30, 2023.

For additional information regarding the Pension Plan and Postemployment Benefits Other than Pensions (OPEB), see the Notes to the Financial Statements in the School District's audited financial statements in Appendix C.

Source: Audited Financial Statements and School District

LABOR RELATIONS

The School District has labor agreements with the following employee groups. The agreements all provide for complete and comprehensive salary, wage, fringe benefit and working conditions provisions. The number of employees and duration of the agreements are as follows:

Employee Group	No. of Employees	Affiliation	Exp. Date of Contract
Administrators	43	Non-Affiliated	06/30/26
Teachers	571	FHEA	06/30/26
Secretaries / Clerical	76	Local Contract	06/30/26
Instructional Aides	99	Local Contract	06/30/26
Maintenance / Custodial / Food Service	115	Local Contract	06/30/26
Transportation	44	Local Contract	06/30/26
Day Care	12	Local Contract	06/30/26
Non-Classified	83	Non-Affiliated	N/A
TOTAL	1,043		

The School District has not experienced a strike by any of its bargaining units within the past ten years.

DEBT STATEMENT* - (As of 02/26/25 – including the Bonds described herein)

DIRECT DEBT:

Dated Date	Purpose	Bond Type	Final Maturity	Principal Outstanding
05/08/14	Building & Site, Series I	UTNQ	05/01/25	$2,300,000
04/20/16	Building & Site & Refunding	UTNQ	05/01/27	15,450,000
05/15/19	Building & Site, Series I	UTNQ	05/01/34	23,900,000
02/27/20	Refunding	UTNQ	05/01/29	5,300,000
05/05/21	Building & Site, Series II	UTNQ	05/01/36	34,070,000
05/03/23	Building & Site, Series III	UTNQ	05/01/38	25,550,000
06/20/24	Refunding	UTNQ	05/01/25	9,500,000
__/__/25	Building & Site, Series I	UTNQ	05/01/45	173,350,000*
NET DIRECT DEBT				$289,420,000*

OVERLAPPING DEBT:

Percent Share	Municipality	Net Debt	District's Share	
1.46%	City of Grand Rapids	$230,750,000	$3,368,950	
9.20	City of Kentwood	3,178,672	292,438	
89.18	Township of Ada	27,540,000	24,560,172	
1.33	Township of Cannon	4,465,000	59,385	
82.64	Township of Cascade	6,578,000	5,436,059	
86.95	Township of Grand Rapids	0	0	
13.85	County of Kent	64,965,000	8,997,653	
13.36	Kent ISD	0	0	
13.38	Grand Rapids Community College	18,675,000	2,498,715	
TOTAL OVERLAPPING DEBT				45,213,372
NET DIRECT AND OVERLAPPING DEBT				$334,633,372*

*Preliminary, subject to change.
Source: Municipal Advisory Council of Michigan

OTHER DEBT

The School District has no short-term borrowing outstanding.

DEBT HISTORY

The School District has no record of default on its obligations.

FUTURE FINANCING

The School District does not have plans for additional capital financings in the next 12 months. Following the issuance of the 2025 bonds, described herein, the School District will have $166,650,000 of remaining voted authorization that is expected to be issued in series over the next four years.

DEBT RATIOS*

School District Estimated Population	52,275
2024 Taxable Value	$4,711,843,685
2024 State Equalized Value (SEV)	$6,294,007,639
2024 True Cash Value (TCV)	$12,588,015,278
Per Capita 2024 Taxable Value	$90,135.70
Per Capita 2024 State Equalized Value	$120,401.87
Per Capita 2024 True Cash Value	$240,803.74
Per Capita Net Direct Debt	$5,536.49
Per Capita Net Direct and Overlapping Debt	$6,401.40
Percent of Net Direct Debt of 2024 Taxable Value	6.14%
Percent of Net Direct and Overlapping Debt of 2024 Taxable Value	7.10%
Percent of Net Direct Debt of 2024 SEV	4.60%
Percent of Net Direct and Overlapping Debt of 2024 SEV	5.32%
Percent of Net Direct Debt of 2024 TCV	2.30%
Percent of Net Direct and Overlapping Debt of 2024 TCV	2.66%

*Preliminary, subject to change.

LEGAL DEBT MARGIN* - (As of 02/26/25 – including the Bonds described herein)

2024 State Equalized Value		$6,294,007,639
Legal Debt Limit - 15% of SEV		$944,101,146
Total Bonded Debt Outstanding	$289,420,000	
Less: SLRF Qualified Bonds[1]	0	
Net Amount Subject to Legal Debt Limit		289,420,000
LEGAL DEBT MARGIN AVAILABLE		$654,681,146

*Preliminary, subject to change.

[1] Section 1351(3) of Act 451, Public Acts of Michigan, 1976, as amended, provides that the bonded indebtedness of a school district shall not exceed 15% of the total assessed valuation of the district. Bonds not included in the computation of the legal debt margin are (1) any bond qualified under Article IX, Section 16 of the Michigan Constitution of 1963, and (2) deficit budget bonds as authorized under Section 1356. In addition, Section 605 of Act 34, Public Acts of Michigan, 2001, as amended, provides, in relevant part, that debt evidenced by a refunding security shall not be deemed to be within any statutory or charter limitation of outstanding debt limit.

EMPLOYMENT CHARACTERISTICS

Listed below are the largest employers that are located within the School District and Kent County:

Employer	Product or Service	Approx. No. of Employees
Within the School District		
Amway Corporation	Manufacturing/Marketing	4,000
GE Aviation	Electronic Manufacturing	1,300
Forest Hills Public Schools	Education	1,043
Cascade Engineering	Automotive Acoustic Products	550
Applied Innovation	Distributer of Office Equipment	300
Baker Publishing Group	Book Publishing	150
Davidson Plyforms	Curved Plywood Components	160
CDW Technologies, Inc.	Computer Systems Integration	100
Within the County of Kent		
Corewell Health f/k/a Spectrum Health	General Medical & Surgical Hospitals	25,000
Meijer, Inc	Retail Stores	10,340
Mercy Health	General Medical & Surgical Hospitals	8,500
Access Business Group, LLC	Holding Companies	4,000
Lacks Enterprises, Inc.	Plastics & Rubber Manufacturer	3,000
Steelcase, Inc.	Office Furniture	2,500
Grand Rapids Public Schools	Education	2,111
Wolverine World Wide, Inc.	Shoes	1,700
Gordon Food Service, Inc.	Food Service Distributor	1,400
GE Aviation Systems, LLC	Aerospace Products	1,300
Ventra Grand Rapids 5, LLC	Automotive Components & Systems	1,200
Roskam Baking Co.	Food Manufacturer	1,000
Hearthside Food Solutions, LLC	Cookies	1,000

Source: 2024 Michigan Manufacturers Directory, MEDC website via www.michiganbusiness.org, and individual employers.

EMPLOYMENT BREAKDOWN

The U.S. Census Bureau, 2019-2023 American Community Survey reports the occupational breakdown of persons 16 years and over for the Township of Grand Rapids and Township of Cascade as follows:

	Township of Grand Rapids		Township of Cascade	
	Number	Percent	Number	Percent
PERSONS BY OCCUPATION	9,329	100.00%	9,541	100.00%
Management, Business, Science & Arts	5,894	63.17	5,667	59.40
Service	817	8.76	797	8.35
Sales & Office	1,648	17.67	2,149	22.52
Natural Resources, Construction & Maintenance	406	4.35	211	2.22
Production, Transportation & Material Moving	564	6.05	717	7.51

The U.S. Census Bureau, 2019-2023 American Community Survey reports the breakdown by industry for persons 16 years and over for the Township of Grand Rapids and Township of Cascade as follows:

	Township of Grand Rapids		Township of Cascade	
	Number	Percent	Number	Percent
PERSONS BY INDUSTRY	9,329	100.00%	9,541	100.00%
Agriculture, Forestry, Fishing, Hunting & Mining	35	0.38	60	0.63
Construction	275	2.95	250	2.62
Manufacturing	1,211	12.98	1,415	14.83
Wholesale Trade	193	2.07	269	2.82
Retail Trade	1,025	10.99	787	8.25
Transportation, Warehousing & Utilities	227	2.43	340	3.56
Information	111	1.19	124	1.30
Finance, Insurance & Real Estate	1,037	11.12	814	8.53
Professional, Scientific & Management Services	1,481	15.87	1,808	18.95
Educational, Health & Social Services	2,768	29.66	2,351	24.64
Arts, Entertainment, Recreation & Food Services	482	5.17	621	6.51
Other Services except Public Administration	335	3.59	560	5.87
Public Administration	149	1.60	142	1.49

UNEMPLOYMENT

The U.S. Department of Labor, Bureau of Labor Market Statistics, reports unemployment averages for the County of Kent as compared to the State of Michigan as follows:

Annual Average	County of Kent	State of Michigan
December, 2024	4.1%	5.0%
2023	3.2	3.9
2022	3.4	4.1
2021*	4.6	5.7
2020*	7.9	10.0

*The above unemployment figures reflect job losses from the COVID-19 pandemic.

POPULATION BY AGE

The U.S. Census Bureau, 2019-2023 American Community Survey reports the breakdown of population by age for the Township of Grand Rapids and the Township of Cascade as follows:

	Township of Grand Rapids		Township of Cascade	
	Number	Percent	Number	Percent
Total Population	18,934	100.00%	19,701	100.00%
0 through 19 years	4,925	26.01	5,796	29.42
20 through 64 years	10,392	54.89	10,398	52.78
65 years and over	3,617	19.10	3,507	17.80
Median Age	41.4	years	43.2	years

INCOME

The U.S. Census Bureau, 2019-2023 American Community Survey reports the breakdown of household income for the Township of Grand Rapids and the Township of Cascade as follows:

	Township of Grand Rapids		Township of Cascade	
	Number	Percent	Number	Percent
HOUSEHOLDS BY INCOME	7,161	100.00%	7,222	100.00%
Less than $ 10,000	332	4.64	211	2.92
$ 10,000 to $ 14,999	24	0.34	18	0.26
$ 15,000 to $ 24,999	119	1.66	73	1.01
$ 25,000 to $ 34,999	515	7.19	375	5.19
$ 35,000 to $ 49,999	355	4.96	229	3.17
$ 50,000 to $ 74,999	921	12.86	799	11.06
$ 75,000 to $ 99,999	764	10.67	589	8.16
$100,000 to $149,999	1,589	22.19	1,833	25.38
$150,000 to $199,999	851	11.88	861	11.92
$200,000 or MORE	1,691	23.61	2,234	30.93
Median Income	$121,328		$133,401	

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APPENDIX B

GENERAL FUND BUDGET SUMMARY AND COMPARATIVE FINANCIAL STATEMENTS

Forest Hills Public Schools
General Fund Budget Summary

	As Amended 2024/25
Revenue:	
Local Sources	$30,962,122
State Sources	87,446,663
Federal Sources	2,780,571
Incoming Transfers & Other Transactions	11,658,171
Total Revenue	$132,847,527
Expenditures:	
Instructional Services:	
Basic Programs	$67,989,684
Added Needs	9,478,731
Support:	
Pupil	11,125,964
Instructional Staff	6,434,362
General Administration	807,975
School Administration	7,283,100
Business Services	1,894,135
Operation & Maintenance	13,887,047
Transportation	6,483,564
Central Services	4,658,806
Other -- Athletics	3,397,616
Community Services	1,981,855
Outgoing Transfers & Other Transactions	486,413
Total Expenditures	$135,909,252
Excess of Expenditures (over) under Revenues	($3,061,725)
Beginning Fund Balance - July 1	$24,472,258
Projected Fund Balance - June 30	$21,410,533

Source: School District

Forest Hills Public Schools
General Fund

Comparative Balance Sheet

	For Fiscal Years Ended June 30th		
	2022	2023	2024
Assets:			
Cash and Investments	$15,870,245	$16,278,725	$25,874,722
Taxes Receivable	---	11	--
Accounts Receivable	223,816	217,645	309,022
Due from Other Funds	---	---	330,128
Intergovernmental Receivable	16,933,041	19,688,988	18,728,967
Inventories	155,582	171,100	166,431
Prepaid Expenditures	22,265	315,369	344,659
Total Assets	$33,204,949	$36,671,838	$45,753,929
Liabilities:			
Accounts Payable	$919,132	$402,414	$1,191,894
Accrued Payroll	7,321,967	7,822,479	8,901,730
Accrued Retirement	3,630,413	5,147,734	2,158,831
Accrued Expenditures	3,694	117,781	128,397
Intergovernmental Payable	357,665	1,637,100	4,871,110
Unearned Revenue	2,320,355	2,983,483	4,029,709
Total Liabilities	$14,553,226	$18,110,991	$21,281,671
Fund Balance:			
Nonspendable	$177,847	$486,469	$511,090
Assigned for Subsequent Year's Budget	3,749,356	594,356	1,505,210
Unassigned	14,724,520	17,480,022	22,455,958
Total Fund Balance	$18,651,723	$18,560,847	$24,472,258
Total Liabilities and Fund Balance	$33,204,949	$36,671,838	$45,753,929

Source: Audited Financial Statements

Forest Hills Public Schools
General Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

	For Fiscal Years Ended June 30th		
	2022	2023	2024
Revenue:			
Property Taxes	$22,117,853	$23,079,448	$24,912,114
Other Local Sources	2,998,273	3,484,092	3,948,208
State Sources	80,538,073	91,247,240	92,333,501
Federal Sources	4,944,553	6,254,273	8,200,779
Intermediate Sources	9,704,487	10,704,165	10,634,533
Total Revenue	$120,303,239	$134,769,218	$140,029,135
Expenditures:			
Current:			
Instruction	$75,883,294	$81,386,817	$80,438,536
Supporting Services	46,584,642	52,489,974	52,090,000
Community Services	1,365,089	1,701,815	1,697,325
Capital Outlay	10,000	57,774	---
Debt Service:			
Principal	---	315,365	367,433
Interest and Other Expenditures	---	---	20,830
Outgoing Transfers and Other	---	105,600	163,200
Total Expenditures	$123,843,025	$136,057,345	$134,777,324
Excess of Revenue Over (Under) Expenditures	($3,539,786)	($1,288,127)	$5,251,811
Other Financing Sources (Uses):			
Sale of Capital Assets	$165,494	$115,285	$71,165
Proceeds from SBITA	---	731,979	208,448
Transfers In	300,000	350,000	380,000
Transfers Out	(13)	(13)	(13)
Total Other Financing Sources (Uses):	$465,481	$1,197,251	$659,600
Excess of Revenue & Other Sources Over (Under) Expenditures & Other Uses	($3,074,305)	($90,876)	$5,911,411
Fund Balance - Beginning	$21,726,028	$18,651,723	$18,560,847
Fund Balance - Ending	$18,651,723	$18,560,847	$24,472,258

Source: Audited Financial Statements

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APPENDIX C

AUDITED FINANCIAL STATEMENTS

The auditor was not requested to examine or review and therefore has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds and accordingly has not conducted any post-audit review procedures and will not express any opinion with respect to the accuracy or completeness of such financial documents, statements or materials.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Forest Hills Public Schools

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Forest Hills Public Schools (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Forest Hills Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Forest Hills Public Schools, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Forest Hills Public Schools' basic financial statements. The accompanying additional supplementary information, as identified in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 additional supplementary information, including the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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 October 9, 2024, on our consideration of Forest Hills Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Forest Hills Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Forest Hills Public Schools' internal control over financial reporting and compliance.

October 9, 2024

Forest Hills Public Schools
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2024

As management of Forest Hills Public Schools (the District), we offer this narrative overview and analysis of the financial activities of Forest Hills Public Schools for the year ended June 30, 2024. Generally accepted accounting principles (GAAP) require the reporting of two types of financial statements: the Government-Wide Financial Statements and the Fund Financial Statements.

Government-Wide Financial Statements

The Government-Wide Financial Statements are prepared using full accrual accounting and more closely represent those presented by business and industry. All of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both short and long-term, are reported. As such, these statements include capital assets, net of related depreciation/amortization, as well as the bonded debt and other long-term liabilities of the District.

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position can serve as a barometer of financial health and whether the District's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the year. This statement focuses on both the gross and net cost of the various activities which are supported by the District's property taxes, state aid and other revenues. This presentation is intended to summarize and simplify the user's analysis of the cost of the various services.

Fund Financial Statements

The governmental fund financial statements are reported on a modified accrual basis in that only those assets that are measurable and currently available are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's Accounting Manual. In the State of Michigan, school districts' major instruction and instructional support activities are reported in the General Fund. Additional activities are reported in Special Revenue Funds, Debt Service Funds and Capital Project Funds.

In the fund financial statements, capital assets purchased are reported as expenditures in the year of acquisition with no asset being reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. The obligations for future years' debt obligations are not recorded in the fund financial statements.

Summary of Net Position

The following schedule summarizes the net position at June 30, 2024 and 2023:

	2024	2023
Assets		
Current assets	$ 91,518,715	$ 109,099,086
Net other postemployment benefits asset	3,513,881	
Capital assets	499,280,911	472,789,810
Less accumulated depreciation/amortization	(247,385,611)	(232,326,249)
Capital assets, net book value	251,895,300	240,463,561
Total Assets	346,927,896	349,562,647
Deferred Outflows of Resources	75,117,313	97,327,529
Liabilities		
Current liabilities	28,349,626	24,325,600
Long-term liabilities	135,262,248	158,820,626
Net other postemployment benefit liability		13,840,268
Net pension liability	206,158,983	243,246,630
Total Liabilities	369,770,857	440,233,124
Deferred Inflow of Resources	64,692,457	48,362,187
Net Position		
Net investment in capital assets	151,636,386	142,937,027
Restricted for debt service	1,578,131	1,478,098
Restricted for net other postemployment benefits	3,513,881	
Unrestricted	(169,146,503)	(186,120,260)
Total Net Position	$ (12,418,105)	$ (41,705,135)

Capital Assets and Long-Term Debt

Capital Assets

By the end of the 2023-24 fiscal year, the District had invested $499.3 million in a broad range of capital assets, including school buildings and facilities, site improvements, right to use subscription-based IT, school buses and other vehicles, and various types of equipment. Depreciation/amortization expense for the year amounted to approximately $17.1 million, bringing accumulated depreciation/amortization to approximately $247.4 million as of June 30, 2024.

Capital Assets at Year-End
June 30
(Net of Depreciation/Amortization - in millions)

	2024	2023
Buildings and improvements	$ 178.4	$ 150.2
Land and land improvements	18.8	19.0
Machinery, furniture and equipment	16.3	17.8
Transportation equipment	2.5	2.5
Construction in progress	35.1	50.3
Right to use - subscription-based IT	0.8	0.7
	$ 251.9	$ 240.5

The increase in capital assets is due to ongoing depreciation/amortization of existing assets being less than the asset additions related to the 2019, 2021 and 2023 Building and Site bonds.

Long-Term Obligations

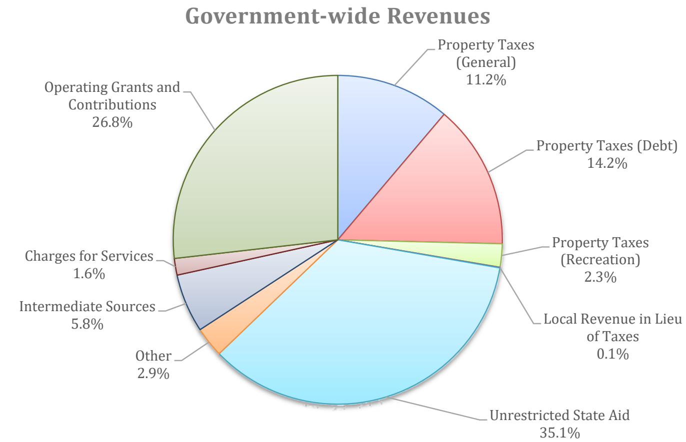
At June 30, 2024, the District had approximately $337.9 million in long-term obligations outstanding, which included approximately $116.1 million in general obligation bonds. This represents a net decrease of approximately $21.1 million in bonds payable at the close of the fiscal year due primarily to issuing new refunding bonds and the retirement of principal.

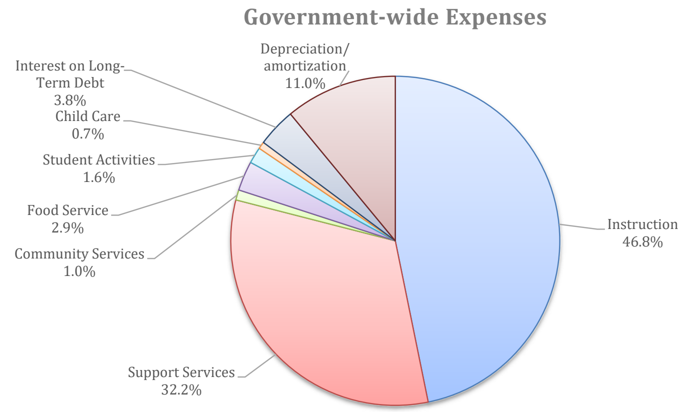
For more detailed information regarding capital assets and long-term obligations, please review the notes to the financial statements located in the financial section of this report.

Results of Operations

For the fiscal years ended June 30, 2024 and 2023 the results of operations on a government-wide basis were:

	2024	2023	Percent Change
General Revenues			
Property taxes levied for general purposes	$ 20,658,627	$ 19,111,423	8.10%
Property taxes levied for debt service	26,232,218	24,459,297	7.25%
Property taxes levied for recreation	4,253,487	3,968,025	7.19%
Local revenue in lieu of taxes	98,335	97,777	0.57%
State of Michigan aid, unrestricted	64,825,871	63,048,075	2.82%
Investment earnings	4,845,676	2,455,257	97.36%
Intermediate sources	10,632,174	10,704,165	-0.67%
Miscellaneous	657,917	1,199,637	-45.16%
Total general revenues	132,204,305	125,043,656	5.73%
Program Revenues			
Charges for services	3,030,935	4,783,032	-36.63%
Operating grants and contributions	49,530,071	33,348,878	48.52%
Total program revenues	52,561,006	38,131,910	37.84%
Total Revenues	184,765,311	163,175,566	13.23%
Expenses			
Instruction	72,810,715	73,823,425	-1.37%
Support services	49,994,788	46,041,659	8.59%
Community services	1,601,283	1,584,929	1.03%
Food service	4,461,263	4,047,081	10.23%
Student/school activities	2,469,660	2,608,731	-5.33%
Child care	1,146,268	1,310,947	-12.56%
Interest on long-term debt	5,917,931	5,622,101	5.26%
Unallocated depreciation/amortization	17,076,373	11,573,516	47.55%
Total Expenses	155,478,281	146,612,389	6.05%
Increase in Net Position	29,287,030	16,563,177	76.82%
Net Position, beginning of year	(41,705,135)	(58,268,312)	-28.43%
Net Position, end of year	$ (12,418,105)	$ (41,705,135)	-70.22%





Analysis of Significant Revenues and Expenditures

Significant revenues and expenditures are discussed in the segments below.

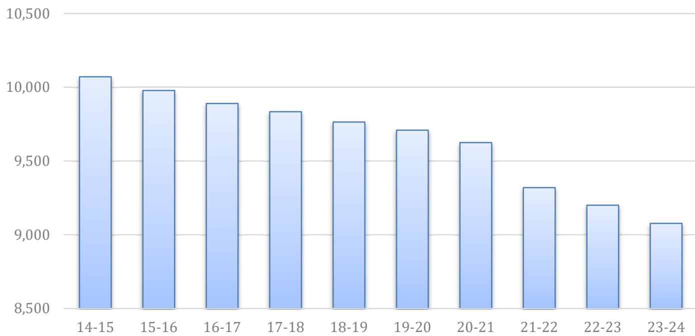
State Sources

The District is funded primarily by state aid, which increased by an additional $458 per pupil resulting in a final per-pupil allocation of $9,608 for 2023-24. The State of Michigan funds districts based on a blended student enrollment. The blended enrollment consists of 90% of the current year's fall count and 10% of the prior fiscal year's spring count. Blended state aid membership was 9,077 and 9,200 in 2023-24 and 2022-23, respectively.

Student Enrollment

The District's enrollment for the 2023-24 fall count was 9,062 students. This is a decrease of 127 students over the prior year. Forest Hills Public Schools is centrally located in Kent County. Projections indicate a small decline in future enrollment. Enrollment over the last ten years is illustrated as follows:

Enrollment History



Property Taxes

The District can levy up to 18.0 mills of property taxes for operations on non-pre properties; however, due to the mandatory reductions required by the Headlee Amendment the District levied 17.6614 mills. According to Michigan law, the tax levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of the prior year's Consumer Price Index increase or 5%, whichever is less. At the time property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is 50% of the property's market value. In November 2023, voters approved a two-year increase to restore the millage reduction in 2024-25 and 2025-26.

For the 2023-24 fiscal year, the District's non-pre current year property tax collections were approximately $20.8 million. This is an increase of 8.3% from the prior year due primarily to an increase in property values.

In February 2004, voters approved 1.0 mill to be levied on all property to support recreational activities in the District; however, due to the mandatory reductions required by the Headlee Amendment the District levied 0.9815 mills. The total current tax year amount was approximately $4.2 million. This is an increase of 5.0% from the prior year due primarily to an increase in property values. In November 2022, voters approved the renewal for a 10-year period.

The District levied 6.05 mills of property taxes on all classes of property located within the District for bonded debt service. This levy is not subject to rollback provisions and is used to pay the principal and interest on bond obligations. The total current tax year amount collected for debt service in 2023-24 was approximately $26.2 million. This is an increase of 6.9% from the prior year due primarily to an increase in property values.

General Fund Budgetary Highlights

The Uniform Budgeting Act of the State of Michigan requires the local Board of Education to approve the original budget for the upcoming fiscal year prior to its starting on July 1. Any amendments made to the operating budget must be approved by the Board prior to the close of the fiscal year on June 30.

For the 2023-24 fiscal year, the District amended the budget two times: once in January 2024, and a final amendment in June 2024. The following schedule shows a comparison of the original budget, the final amended budget, and actual totals from operations.

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Percent Variance
Total Revenues and Other Financing Sources/Uses	$ 129,334,252	$ 138,688,876	$ 140,688,735	$ 1,999,859	1.4%
Expenditures					
Instruction	$ 78,092,734	$ 81,529,143	$ 80,438,536	$ 1,090,607	1.3%
Support services	49,800,313	53,867,652	52,090,000	1,777,652	3.3%
Community services	1,702,183	1,866,842	1,697,325	169,517	9.1%
Other transactions	13	478,578	551,463	(72,885)	(15.2%)
Total Expenditures	$ 129,595,243	$ 137,742,215	$ 134,777,324	$ 2,964,891	2.2%

The actual revenues and other financing sources/uses for the fund were $140.7 million. This is greater than the original budget estimate of $129.3 million and is greater than the final amended budget amount of $138.7 million. The actual expenditures were $134.8 million. This is more than the original budget estimate of $129.9 million and less than the final amended budget amount of $137.7 million.

The variance between actual revenues and the original and final revenue budgets is small and is consistent with the District's historical revenue variances.

The variances between the actual expenditures and the original and final expenditure budgets are indicative of the district's conservative budget estimates during development and amendment of the budget.

Analysis of Financial Position

General Fund

The District maintains a healthy amount of reserves at 18.2 percent of expenditures following an approximate $5.9 million increase to fund balance. Management will continue to make conservative reductions of operating expenses, particularly focusing on employee attrition management, and increase revenues where opportunities exist. The budget adopted for 2024-25 reflects a use of fund balance.

Capital Projects Fund

In November 2018, voters authorized $130 million in debt to finance capital projects throughout the District. The first series of bonds were sold in May 2019 totaling $38 million including the bond premium. Planning commenced during the 2018-19 fiscal year, with construction beginning in the summer of 2019. At the close of the 2023-24 fiscal year, the funds restricted for future capital projects amounted to approximately $513,000.

The second series of bonds were sold in May 2021 totaling $63.2 million including the bond premium. Planning commenced during the 2020-21 fiscal year, with construction starting in the summer of 2021. At the close of the 2023-24 fiscal year, the funds restricted for future capital projects amounted to approximately $1.4 million.

The third series of bonds were sold in May 2023 totaling $29.1 million including the bond premium. Planning commenced during the 2022-23 fiscal year, with construction starting in the summer of 2023. At the close of the 2023-24 fiscal year, the funds restricted for capital projects amounted to approximately $30.7 million.

Factors Bearing on the District's Future

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

- The pandemic caused by COVID-19 continues to create challenges for school districts. The long-term impact remains to be seen. However, the federal government has authorized funding under the Elementary and Secondary School Emergency Relief Fund (ESSER) and the American Rescue Plan (ARP). While these funds have helped as the district addressed the challenges caused by the pandemic, they are one-time and not ongoing financial support. The funds allocated must be spent by September 30, 2024.

- Another important factor affecting the District is student count. The amount of State foundation allowance revenue the District receives is based on the blended student count and the foundation allowance per pupil. The District has experienced minor reductions in its enrollment the last several years due to an overall decline in the birth rate. The enrollment decline is expected to continue into future years based on current forecasts.

- The District is part of a statewide multi-employer defined benefit pension plan. Recent pension reform enacted at the state level includes as goals the limiting of future rate increases and a reduction in the plan's unfunded liability.

- The State of Michigan continues to increase its focus on student achievement. Results of standardized test scores from the Michigan Student Test of Educational Progress are compared from year to year with the results being tabulated by school building and by district. There is a consorted effort to eliminate any barriers impacting student learning and to provide social and emotional learning support.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the Assistant Superintendent for Finance and Operations, Julie Davis, Forest Hills Public Schools, Grand Rapids, Michigan.

Basic Financial Statements

Government-Wide Financial Statements

Forest Hills Public Schools

Government-Wide Financial Statements
Statement of Net Position

June 30, 2024	Governmental Activities
Assets	
Cash and investments	$ 71,643,198
Accounts receivable	323,864
Intergovernmental receivable	18,752,005
Inventories	205,904
Prepaid expenses	368,744
Deposits	225,000
Net other postemployment benefits asset	3,513,881
Capital assets, net of accumulated depreciation/amortization	209,068,931
Capital assets, not being depreciated/amortized	42,826,369
Total Assets	346,927,896
Deferred Outflows of Resources	
Deferred charge on refunding	198,465
Related to other postemployment benefits	13,758,813
Related to pension	61,160,035
Total Deferred Outflows of Resources	75,117,313
Liabilities	
Accounts payable	4,769,321
Intergovernmental payable	4,871,127
Accrued interest	907,624
Accrued payroll	6,929,945
Accrued retirement	4,206,886
Accrued expenses	163,412
Arbitrage liability	2,348,332
Unearned revenue	4,152,979
Noncurrent liabilities	
Due within one year	25,057,202
Due in more than one year	110,205,046
Net pension liability	206,158,983
Total Liabilities	369,770,857
Deferred Inflows of Resources	
Related to other postemployment benefits	29,101,249
Related to pension	23,344,712
Related to state aid funding for pension	12,246,496
Total Deferred Inflows of Resources	64,692,457
Net Position	
Net investment in capital assets	151,636,386
Restricted for debt service	1,578,131
Restricted for net other postemployment benefits	3,513,881
Unrestricted	(169,146,503)
Total Net Position	$ (12,418,105)

The notes to the basic financial statements are an integral part of this statement.

Forest Hills Public Schools

Government-Wide Financial Statements
Statement of Activities

Year ended June 30, 2024	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities				
Instruction	$ 72,810,715	$ 146,377	$ 27,447,648	$ (45,216,690)
Support services	49,994,788	831,396	14,542,170	(34,621,222)
Community services	1,601,283	461,782	92,182	(1,047,319)
Food service	4,461,263	565,309	4,868,363	972,409
Student/school activities	2,469,660		2,554,678	85,018
Child care	1,146,268	1,026,071	25,030	(95,167)
Interest on long-term debt	5,917,931			(5,917,931)
Unallocated depreciation/amortization*	17,076,373			(17,076,373)
Total School District	$ 155,478,281	$ 3,030,935	$ 49,530,071	(102,917,275)
General revenues:				
Property taxes levied for general purposes				20,658,627
Property taxes levied for debt service				26,232,218
Property taxes levied for recreation				4,253,487
Local revenue in lieu of taxes				98,335
Unrestricted state aid				64,825,871
Investment earnings				4,845,676
Intermediate sources				10,632,174
Miscellaneous				657,917
Total general revenues				132,204,305
Change in net position				29,287,030
Net Position, beginning of year				(41,705,135)
Net Position, end of year				$ (12,418,105)

* Unallocated depreciation/amortization includes 100% of depreciation/amortization expense, no depreciation/amortization expense is allocated to various programs.

The notes to the basic financial statements are an integral part of this statement.

Fund Financial Statements

Forest Hills Public Schools

Governmental Funds
Balance Sheet

June 30, 2024	General Fund	Debt Service Fund	2021 Capital Projects Fund	2023 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	$ 25,874,722	$ 2,813,224	$ 4,920,303	$ 30,700,209	$ 7,334,740	$ 71,643,198
Accounts receivable	309,022	767			14,075	323,864
Intergovernmental receivable	18,728,967				23,038	18,752,005
Due from other funds	330,128					330,128
Inventories	166,431				39,473	205,904
Prepaid expenditures	344,659				24,085	368,744
Deposits					225,000	225,000
Total Assets	$ 45,753,929	$ 2,813,991	$ 4,920,303	$ 30,700,209	$ 7,660,411	$ 91,848,843
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ 1,191,894		$ 3,506,699		$ 70,728	$ 4,769,321
Accrued payroll	8,901,730				53,018	8,954,748
Accrued retirement	2,158,831				23,252	2,182,083
Accrued expenditures	128,397				35,015	163,412
Intergovernmental payable	4,871,110				17	4,871,127
Due to other funds		$ 328,236			1,892	330,128
Unearned revenue	4,029,709				123,270	4,152,979
Total liabilities	21,281,671	328,236	3,506,699		307,192	25,423,798
Fund Balances						
Nonspendable - inventories	166,431					166,431
Nonspendable - prepaid expenditures	344,659					344,659
Nonspendable - deposits					225,000	225,000
Restricted for capital projects			1,413,604	$ 30,700,209	512,919	32,626,732
Restricted for debt service		2,485,755				2,485,755
Restricted for food service					1,811,710	1,811,710
Committed for student/school activities					2,618,597	2,618,597
Committed for child care program					2,184,993	2,184,993
Assigned for subsequent year's budget	1,505,210					1,505,210
Unassigned	22,455,958					22,455,958
Total fund balances	24,472,258	2,485,755	1,413,604	30,700,209	7,353,219	66,425,045
Total Liabilities and Fund Balances	$ 45,753,929	$ 2,813,991	$ 4,920,303	$ 30,700,209	$ 7,660,411	$ 91,848,843

The notes to the basic financial statements are an integral part of this statement.

Forest Hills Public Schools

Reconciliation of Fund Balances of Governmental Funds to Net Position on the Statement of Net Position

Year ended June 30, 2024		
Total fund balances - total governmental funds		$ 66,425,045
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows of resources - deferred charge on refunding		198,465
Deferred outflows of resources - related to pension		61,160,035
Deferred outflows of resources - related to other postemployment benefits		13,758,813
Deferred inflows of resources - related to pension		(23,344,712)
Deferred inflows of resources - related to other postemployment benefits		(29,101,249)
Deferred inflows of resources - related to state funding for pension		(12,246,496)
Some assets are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet		
Noncurrent assets at year-end consist of:		
Net other postemployment benefits asset		3,513,881
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
These assets consist of:		
Capital assets, at cost	$ 499,280,911	
Accumulated depreciation/amortization	(247,385,611)	
Net capital assets		251,895,300
Long-term liabilities, including interest payable, are not due and payable in the current period and, therefore, are not reported in the funds. Balances are as follows:		
General obligation bonds	(116,070,000)	
Deferred issuance premium	(16,756,482)	
Accrued interest on bonds	(907,624)	
Direct borrowings and direct placements	(257,629)	
Compensated absences	(2,156,137)	
Retirement contracts payable	(22,000)	
Net pension liability	(206,158,983)	
Arbitrage liability	(2,348,332)	
Net long-term liabilities		(344,677,187)
Net Position of Governmental Activities		$ (12,418,105)

The notes to the basic financial statements are an integral part of this statement.

Forest Hills Public Schools

Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2024	General Fund	Debt Service Fund	2021 Capital Projects Fund	2023 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 24,912,114	$ 26,232,218				$ 51,144,332
Other local sources	3,948,208	347,903	$ 1,098,244	$ 1,607,269	$ 4,568,639	11,570,263
State sources	92,333,501	531,331			3,239,883	96,104,715
Federal sources	8,200,779				1,653,510	9,854,289
Intermediate sources	10,634,533					10,634,533
Total revenues	140,029,135	27,111,452	1,098,244	1,607,269	9,462,032	179,308,132
Expenditures						
Current						
Instruction	80,438,536					80,438,536
Support services	52,090,000					52,090,000
Community services	1,697,325					1,697,325
Food service					4,602,907	4,602,907
Student/school activities					2,581,941	2,581,941
Child care					1,185,487	1,185,487
Debt service						
Principal	367,433	20,560,000				20,927,433
Interest and other	20,830	5,989,048				6,009,878
Payment to refunded bond escrow agent		10,053,224				10,053,224
Bond issuance costs		129,954				129,954
Capital outlay			28,365,673		910,341	29,276,014
Outgoing transfers and other	163,200					163,200
Total expenditures	134,777,324	36,732,226	28,365,673		9,280,676	209,155,899
Excess (deficiency) of revenues over (under) expenditures	5,251,811	(9,620,774)	(27,267,429)	1,607,269	181,356	(29,847,767)
Other Financing Sources (Uses)						
Issuance of bonds		9,500,000				9,500,000
Premium on bonds issued		131,955				131,955
Sale of capital assets	71,165					71,165
Proceeds from subscription-based IT arrangements	208,448					208,448
Transfers in	380,000				13	380,013
Transfers out	(13)				(380,000)	(380,013)
Total other financing sources (uses)	659,600	9,631,955			(379,987)	9,911,568
Changes in fund balances	5,911,411	11,181	(27,267,429)	1,607,269	(198,631)	(19,936,199)
Fund Balances, beginning of year	18,560,847	2,474,574	28,681,033	29,092,940	7,551,850	86,361,244
Fund Balances, end of year	$ 24,472,258	$ 2,485,755	$ 1,413,604	$ 30,700,209	$ 7,353,219	$ 66,425,045

The notes to the basic financial statements are an integral part of this statement.

Forest Hills Public Schools

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended June 30, 2024		
Changes in fund balances - total governmental funds		$ (19,936,199)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital outlay	$ 28,508,112	
Depreciation/amortization expense	(17,076,373)	
		11,431,739
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. In the statement of net position, bonds issued are reported as a liability and repayments reduce the liability.		
Proceeds from refunding bonds issued	(9,500,000)	
Payment to refunded bond escrow agent	10,053,224	
Premium on issuance of bonds	(131,955)	
Proceeds from subscription-based IT arrangements	(208,448)	
Repayment of principal on bonded debt	20,560,000	
Repayment of principal on notes from direct barrowings and direct placements	367,433	
		21,140,254
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 governmental funds.		
Amortization	2,138,531	
Pension related items	(305,172)	
Other postemployment benefits related items	11,266,557	
Accrued interest	88,852	
Retirement contracts payable	11,000	
Compensated absences	(290,063)	
Arbitrage liability	(1,757,050)	
		11,152,655
Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period.		
Pension related items, beginning of year		17,745,077
Pension related items, end of year		(12,246,496)
Change in Net Position of Governmental Activities		$ 29,287,030

The notes to the basic financial statements are an integral part of this statement.

1. Summary of Significant Accounting Policies

The basic financial statements of Forest Hills Public Schools (the District) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

Reporting Entity

The District is an independent entity with an elected Board of Education consisting of seven members. Board members serve six-year terms. The Board has responsibility and control over all matters affecting the District, including authority to levy taxes and determine its budget, the power to designate management and primary accountability for fiscal matters. The basic financial statements of the District contain all funds for which the District is financially accountable. There are no other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete.

Basis of Presentation

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. For the most part, the effect of interfund activity has been removed from these statements. The government-wide financial statements categorize activities as either governmental or business-type. All of the District's activities are classified as governmental.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to recipients who purchase, use, or directly benefit from goods, services or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Property taxes, state aid foundation and certain other items are reported as general revenues.

Fund financial statements: The fund financial statements provide information about the District's funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Major individual governmental funds are reported in separate columns in the fund financial statements.

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

Forest Hills Public Schools

Notes to Financial Statements

Governmental Funds

Governmental Funds are used to account for the District's general activity. The focus is on determination of the financial position and changes in financial position rather than on income determination. The following is a description of the Governmental Funds of the District:

General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. It is considered a major fund.

Special Revenue Funds are used to account for, and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District operates three special revenue funds: Food Service, Student/School Activities, and Child Care. These funds are considered nonmajor funds.

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. The Debt Service Fund is considered a major fund and resources are mainly from 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 the acquisition or construction of capital facilities and other capital projects. Capital project fund resources are mainly from bond proceeds and investment income. The 2021 and 2023 Capital Projects Funds are considered major funds and the 2019 Capital Projects Fund is considered a nonmajor fund.

Beginning with the year of bond issuance, the school district has reported the annual construction activity in the Capital Projects Fund. The project for which the 2021 Bonds were issued was considered complete on June 30, 2024 (June 30 immediately following date of Certificate of Substantial Completion or 95% of proceeds expended). The 2023 Capital Projects Fund is not yet considered substantially complete, and a subsequent year audit is expected.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough after to pay liabilities for the current period. The District considers revenues available if collected within 60 days after year-end for property taxes, state aid and interest, and 90 days after year-end for entitlement funds and grants.

Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

State Foundation Revenue

The State of Michigan allocates funds through a foundation grant approach, which provides for a specific annual amount of revenue per student based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources primarily are governed by the School Aid Act and the School Code of Michigan. For the year ended June 30, 2024, the foundation allowance was based on the blended student membership counts taken in October 2023 and February 2023.

The state portion of the foundation is provided primarily by a state education property tax millage of six mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes, which may be levied at a rate of up to 18 mills.

State Categorical Revenue

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be expended for its specific purpose. Categorical funds received which are not expended by the close of the fiscal year are recorded as unearned revenue.

Federal Revenue

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Budgets and Budgetary Accounting

The budgetary data reflected in the financial statements is established by the District using the procedures outlined below:

During the January to June period, the budget development process occurs. This process includes sharing of information on District finances, soliciting input, and responding to questions with various employee and parent groups and the Board of Education.

This information is used to develop a budget and resolution for the General Fund and Special Revenue Funds. This includes proposed expenditures and the means of financing them and is compiled on the same basis of accounting used to reflect actual revenues and expenditures recognized on a generally accepted accounting principles basis.

In June, the budget resolution is subjected to a public hearing before the full Board of Education and is adopted after this hearing and before July 1, the first day of the budgeted fiscal year.

Various administrators are authorized to transfer amounts within their departmental budget. However, any revisions that alter the total expenditures of a fund, the legal level of budgetary control, must be approved by the Board of Education. Unexpended appropriations lapse at year-end. The budget is integrated with the accounting system of the District and is used as a management control device during the year.

Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.

The budget was amended during the year to reflect changes occurring since the original adoption. The major cause of amendments typically relates to classification of revenues and expenditures, as well as changes since the original adoption. The State of Michigan has implemented new accounting classifications in recent years which has caused some of these changes.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

In accordance with Michigan Compiled Laws, the District is authorized to invest in the following investment vehicles:

a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services, and which matures not more than 270 days after the date of purchase.

d. The United States government or federal agency obligations repurchase agreements.

e. Bankers' acceptances of United States banks.

f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

Inventories and Prepaid Items

Inventories are stated at cost. Inventories consist primarily of food, cafeteria supplies, teaching and maintenance supplies and are valued using FIFO, except natural gas inventory which is valued using a weighted average method. Inventories are reported as assets when purchased and charged to operations when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items when purchased and charged to operations when used in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, buildings, and equipment, are reported in the government-wide financial statements. Assets having a useful life in excess of one year, and whose costs exceed $20,000 for buildings and improvements and $10,000 for all other capital asset categories, are capitalized. Capital assets are stated at historical cost, or estimated historical cost where actual cost information is not available. Donated capital assets are stated at their estimated acquisition value as of the donation date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' useful lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed. Right to use assets of the District are amortized using the straight-line method over the shorter of the subscription period or the estimated useful life. Depreciation is provided for on the straight-line basis over the estimated useful lives of the assets as follows:

	Years
Land improvements	20
Transportation equipment	8
Buildings and improvements	20 - 50
Machinery, furniture and equipment	5 - 20
Right to use - subscription based IT	2 - 6

Defined Benefit Plans

For purposes of measuring the net pension and other postemployment benefit asset, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefits expense, information about the fiduciary net position of the Michigan Public Employees' Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. 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.

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. They are the deferred charge on refunding, pension, and other postemployment benefit related items reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expensed in the plan year in which they apply.

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension benefit contributions subsequent to the measurement period. The second and third items are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. The amounts are amortized over a period determined by the actuary.

Compensated Absences

District employees are granted vacation and sick leave in varying amounts based on length of service. Sick leave is accumulated at different rates for various categories of employees. Unused sick leave accumulates from year to year to a maximum, which varies for different categories of employees. Unused sick leave is paid to employees at a contractual rate for each unused sick day either at the time of retirement or upon termination, depending upon the category of the employee. The liability for compensated absences includes salary-related payments. In the fund financial statements, only the matured liability for compensated absences is reported. The total liability is reported in the government-wide financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds issued are deferred and amortized over the life of the related bonds. Bond issuance costs are expensed.

In the fund financial statements, the face amount of new debt issued is reported as other financing sources. Bond premiums and discounts are reported as other financing sources (uses) while issuance costs are reported as expenditures.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and premiums used for the acquisition or construction of those assets. Deferred outflows of resources and restricted capital projects net position that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use, either through legislation or through external restrictions imposed by creditors, grantors, laws, or regulations from other governments.

Fund Balance

Fund balance represents the difference between assets and liabilities in the governmental fund financial statements. The District's fund balance is classified in the following categories:

Nonspendable fund balance - represents amounts that cannot be spent due to legal requirements or because it is not in spendable form. The District reports nonspendable fund balance for inventories, prepaid expenditures, and deposits.

Restricted fund balance - restricted for specific purposes imposed by grantors, bondholders, constitutional provisions or enabling legislation. The District reports restricted fund balance in the Debt Fund, Capital Projects Fund and Food Service Fund.

Committed fund balance - represent amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's board of education. The District reports committed fund balance in the Student/School Activities and Child Care Funds.

Assigned fund balance - intended to be used for specific purposes but doesn't meet the criteria for restricted or committed fund balance. The District reports assigned fund balance in the General Fund to report specific projects and subsequent year budgeted use of fund balance. The Board of Education has authority to assign amounts to a specific purpose by authority of a Board resolution passed in June 2011.

Unassigned fund balance - the residual fund balance of the General Fund.

When the District incurs an expenditure for purposes for which various fund balance classifications can be used, it is the District's policy to use restricted fund balance first, then committed fund balance, assigned fund balance and then unassigned fund balance.

The District has a policy that funds equal to 10% of the adopted General Fund budget shall be maintained for the purposes of protecting the cash flow position of the District and avoiding the need to borrow against either anticipated state aid payments or local property tax revenues for school operating purposes.

Subscription-based IT Arrangements (SBITA)

The District is a lessee for a noncancelable subscription of an IT arrangement. The District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements.

Forest Hills Public Schools

Notes to Financial Statements

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

Key estimates and judgements related to SBITAs included how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA 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 SBITA.

- ➢ The SBITA term includes the noncancelable period of the subscription. SBITA payments included in the measurement of the SBITA 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 SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term obligations on the statement of net position.

Property Taxes

School District property taxes are due July 1 of each fiscal year in the City of Grand Rapids, on December 1 of each fiscal year in Cannon Township, and on July 1 and December 1 of each fiscal year in the City of Kentwood and the remaining townships. The taxes are payable without interest on or before July 31 in the City of Grand Rapids, February 14 in Cannon Township and September 1 and February 14 in the City of Kentwood, and September 14 and February 14 in the remaining townships, and without penalty on or before the following February 14. All real property taxes remaining unpaid on March 1 of the year following the levy are turned over to the County Treasurer for collection.

For the year ended June 30, 2024, the District levied the following amounts per $1,000 of assessed valuation. The general fund levied 17.6614 mills for applicable property and a supplemental 0.9815 mill for parks and recreation activities. The debt service fund levied 6.05 mills.

Interfund Activity

During the course of its operations the District has transactions between funds. The General Fund regularly has transfers of funds between the Food Service and Child Care funds. During the year, the Food Service Fund and Child Care Fund transferred $230,000 and $150,000, respectively, to the General Fund for indirect costs. The General Fund transferred $13 to the Food Service Fund for at-risk meals. To the extent that certain transactions had not been paid or received as of year-end, balances of interfund receivables or payables are recorded. Balances are normally liquidated in the subsequent fiscal year.

Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through October 9, 2024 the date the financial statements were available to be issued. Based on that evaluation, there were no matters identified that had a significant impact on the financial statements as presented.

2. Cash and Investments

Deposits

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District minimizes custodial credit risk by pre-qualifying financial institutions. At June 30, 2024, $750,000 of the District's bank balances (without recognition of deposits in transit and outstanding checks) of $32,120,293 was insured and $31,370,293 was uninsured and uncollateralized. The Federal Deposit Insurance Corporation (FDIC) general deposit insurance rules provide $250,000 of insurance for all time and savings deposits and $250,000 of insurance for all demand deposits per institution.

Investments

At June 30, 2024, the District had the following investments:

Investment Type	Rating	Fair Value	Maturity Less Than 1 Year
MILAF External Investment Pool - CMC	S&P AAAm	$ 3,620,598	$ 3,620,598
MILAF External Investment Pool - Max	S&P AAAm	37,453,171	37,453,171
Total investments		41,073,769	$ 41,073,769
Cash		30,569,429	
Total Investments and Cash		$ 71,643,198	

Forest Hills Public Schools

Notes to Financial Statements

The District voluntarily invests certain excess funds in external pooled investment funds which includes money market funds. Two of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund Cash Management Class and Max Class (MILAF). These are external pooled investment funds of "qualified" investments for Michigan school districts. MILAF is not regulated nor is it registered with the SEC. MILAF reports as of June 30, 2024, the fair value of the District's investments is the same as the value of the pool shares. MILAF Cash Management Class and Max Class funds are considered external investment pools as defined by the GASB and as such are recorded at amortized cost which approximate fair value. The MILAF (MAX Class) fund requires notification of redemptions prior to 14 days to avoid penalties. These funds are not subject to the fair value disclosures and are valued at amortized cost.

Interest Rate Risk

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

Custodial Credit Risk Related to Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business. The District had no investments subject to custodial credit risk at June 30, 2024.

Fair Value Measurement

The District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District does not have any investments subject to the fair value measurement.

Foreign Currency Risk

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

State statutes authorize the District to invest in obligations and certain repurchase agreements of the U.S. Treasury and related governmental agencies, commercial paper rated prime at the time of purchase and maturing not more than 270 days from the date of purchase, banker's acceptances and certificates of deposit issued or created by any state or national bank insured with the applicable federal agency, and investment pools authorized by the Surplus Funds Investment Pool Act.

The District follows state statutes and has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

3. Interfund Activity

Transfers between funds during the year June 30, 2024 were as follows:

Fund	Transfers In	Transfers Out
General Fund	$ 380,000	$ 13
Nonmajor Governmental Funds	13	380,000
	$ 380,013	$ 380,013

Forest Hills Public Schools

Notes to Financial Statements

4. Intergovernmental Receivable

Intergovernmental receivables consist of the following:

Fund	Local	State	Federal	Total
General	$ 256,719	$ 17,046,623	$ 1,425,625	$ 18,728,967
Food Service		22,070		22,070
Child Care		968		968
Total	$ 256,719	$ 17,069,661	$ 1,425,625	$ 18,752,005

All balances are expected to be collected within one year.

5. Capital Assets

The following summarizes capital asset activity for the year ended June 30, 2024.

	Balance, June 30, 2023	Additions	Deletions	Balance, June 30, 2024
Governmental Activities				
Capital assets not depreciated/amortized				
Land	$ 7,696,373			$ 7,696,373
Construction in progress	50,378,103	$ 19,978,580	$ (35,226,687)	35,129,996
Total capital assets not depreciated/amortized	58,074,476	19,978,580	(35,226,687)	42,826,369
Capital assets being depreciated/amortized				
Land improvements	20,291,656	994,290		21,285,946
Buildings and improvements	319,318,556	37,242,825		356,561,381
Machinery, furniture and equipment	65,945,218	3,774,018		69,719,236
Transportation equipment	8,144,690	1,158,379	(2,017,011)	7,286,058
Right to use - subscription-based IT	1,015,214	586,707		1,601,921
Total capital assets being depreciated/amortized	414,715,334	43,756,219	(2,017,011)	456,454,542
Totals at historical cost	472,789,810	63,734,799	(37,243,698)	499,280,911
Less accumulated depreciation/amortization for				
Land improvements	8,990,446	1,202,866		10,193,312
Buildings and improvements	169,141,941	9,052,327		178,194,268
Machinery, furniture and equipment	48,179,799	5,277,106		53,456,905
Transportation equipment	5,685,559	1,096,216	(2,017,011)	4,764,764
Right to use - subscription-based IT	328,504	447,858		776,362
Total accumulated depreciation/amortization	232,326,249	17,076,373	(2,017,011)	247,385,611
Net Capital Assets	$ 240,463,561	$ 46,658,426	$ (35,226,687)	$ 251,895,300

Depreciation/amortization for the year ended June 30, 2024 was $17,076,373. The District determined that it was impractical to allocate depreciation/amortization to various governmental activities as the assets serve multiple functions.

Costs to complete the construction in progress are approximately $35,203,500.

6. Long-Term Obligations

The following is a summary of changes in long-term obligations for the District for the year ended June 30, 2024.

	Balance, June 30, 2023	Additions	Deductions	Balance, June 30, 2024	Due Within One Year
General obligation bonds	$ 137,180,000	$ 9,500,000	$ (30,610,000)	$ 116,070,000	$ 23,945,000
Deferred issuance premium	19,324,938	131,955	(2,700,411)	16,756,482	
Notes from direct borrowings and direct placements	416,614	208,448	(367,433)	257,629	188,202
Compensated absences	1,866,074	1,287,386	(997,323)	2,156,137	913,000
Retirement contracts payable	33,000		(11,000)	22,000	11,000
Net pension liability	243,246,630		(37,087,647)	206,158,983	
Net other postemployment benefits liability (asset)	13,840,268		(17,354,149)	(3,513,881)	
	$ 415,907,524	$ 11,127,789	$ (89,127,963)	$ 337,907,350	$ 25,057,202

General obligation bonds at June 30, 2024 are comprised of the following individual issues:

June 30, 2024	Principal Outstanding	Remaining Interest Requirements
2014 Building and Site Bonds, $25,000,000 due in annual installments of $2,300,000 through May 1, 2025, interest at 5.00%.	$ 2,300,000	$ 69,000
2016 Building, Site and Refunding Bonds, $48,130,000, due in annual installments of $5,045,000 to $5,230,000 through May 1, 2027, interest at 5.00%.	15,450,000	1,554,250
2019 Building and Site Series I Bonds, $31,950,000, due in annual installments of $2,150,000 to $2,700,000 through May 1, 2034, interest at 5.00%.	23,900,000	6,810,000
2020 Refunding Bonds, $9,670,000 due in annual installments of $1,050,000 to $1,075,000 through May 1, 2029, interest at 4.00%.	5,300,000	639,000
2021 Building and Site Bonds, $55,350,000 due in annual installments of $2,800,000 to $2,845,000 through May 1, 2036, interest at 3.00% to 4.00%.	34,070,000	7,448,100
2023 Building and Site Bonds, $25,550,000 due in annual installments of $1,100,000 to $2,480,000 through May 1, 2038, interest at 5.00%.	25,550,000	10,664,500
2024 Refunding Bonds, $9,500,000 due in annual installments of $9,500,000 through May 1, 2025, interest at 5.00%.	9,500,000	410,347
	$ 116,070,000	$ 27,595,197

Notes from direct borrowings and direct placements at June 30, 2024 are comprised of the following:

Direct Borrowing and Direct Placement

June 30, 2024	Principal Outstanding	Remaining Interest Requirements
Various subscription-based IT arrangements, due in annual installments of $69,427 to $188,202 through July 31, 2025, including imputed interest at 5%.	$ 257,629	$ 16,352

Severance Program

A severance program is available for administrative staff to receive $11,000 per year for three years after retirement, and the liability at year-end was $22,000. Retirement contracts and compensated absences typically are liquidated by the General Fund.

Debt Service Requirements

The District's outstanding notes from direct borrowings and direct placements related to governmental activities of $257,629 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

On June 20, 2024, the District issued a general obligation bond of $9,500,000 with an interest rate of 5% to advance refund the 2026 through 2029 bond payments of the 2014 Building and Site Bonds. The bonds mature at various times through May 1, 2029. The general obligation bond was issued at par value. After paying issuance costs of $129,954 and receiving a premium of $131,955 the net proceeds were $9,502,001. The net proceeds from the issuance of the general obligation bonds, and a District payment of $552,000, were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are paid in full. The advance refunding met the requirements of an in substance debt defeasance and the term bonds were removed from the District's government-wide financial statements. As a result of the advance refunding, the District reduced its total debt service requirements by $1,442,903, creating an economic gain (difference between the present value of the debt service payment on the old and new debt) of $560,585.

The District defeased certain general obligations bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account, assets, and liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2024, $31,450,000 of bonds outstanding are considered defeased.

The annual requirements to amortize long-term obligations outstanding exclusive of compensated absences payments as of June 30, 2024, are as follows:

	General Obligation Bonds		Direct Borrowing and Direct Placement			
Year Ending June 30,	Principal	Interest	Principal	Interest	Other Long-term Obligations	Total
2025	$ 23,945,000	$ 5,156,897	$ 188,202	$ 12,881		$ 29,302,980
2026	12,645,000	4,108,800	69,427	3,471		16,826,698
2027	12,820,000	3,515,450				16,335,450
2028	7,735,000	2,913,350				10,648,350
2029	7,865,000	2,565,750				10,430,750
2030-2034	36,140,000	7,896,900				44,036,900
2035-2038	14,920,000	1,438,050				16,358,050
	116,070,000	27,595,197	257,629	16,352		143,939,178
Deferred issuance premium	16,756,482					16,756,482
Compensated absences					$ 2,156,137	2,156,137
Retirement contracts payable					22,000	22,000
Net pension liability					206,158,983	206,158,983
Net other postemployment benefits asset					(3,513,881)	(3,513,881)
	$ 132,826,482	$ 27,595,197	$ 257,629	$ 16,352	$ 204,823,239	$ 365,518,899

The net pension liability and net other postemployment benefits asset are liquidated by the General, Food Service, and Child Care funds.

7. Interfund Receivables and Payables

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 330,128	
Debt Service Fund		$ 328,236
Nonmajor Governmental Funds		1,892
	$ 330,128	$ 330,128

The outstanding balances between funds results mainly 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. All amounts are expected to be repaid within the year.

8. Pension and Other Postemployment Benefits

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS) (System) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the Board's authority to promulgate or amend the provisions of the System. MPSERS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.michigan.gov/orsschools.

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

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

Benefits Provided - Overall

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

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

Benefits Provided - Pension

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

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later including Pension Plus Plan members, contribute at various graduated permanently fixed contribution rates from 3.0% - 7.0%.

Pension Reform 2010

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

Pension Reform 2012

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

Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

An amount determined by the member's election of Option 1, 2, 3, or 4 described below:

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

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

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

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

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

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose.

Employees who first work on or after September 4, 2012, choose between two retirement plans: The Pension Plus Plan and a Defined Contribution that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) - Average of highest 60 consecutive months for Basic Plan members and Pension Plus members (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected Option 4, in which case the FAC is calculated at the transition date.

Pension Reform of 2017

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

Benefits Provided - Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

Eligibility - A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through 60th birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

Annual Amount - The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012.

Member Contributions

Depending on the plan selected, member contributions range from 0% - 7% for pension and 0% - 3% for other postemployment benefits. Plan members electing the Defined Contribution plan are not required to make additional contributions.

Employer Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The normal cost is the annual cost assigned under the actuarial funding method, to the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

Forest Hills Public Schools

Notes to Financial Statements

Pension and OPEB contributions made in the fiscal year ending September 30, 2023 were determined as of the September 30, 2020 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2020 are amortized over an 16-year period beginning October 1, 2022 and ending September 30, 2038.

School districts' contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

	Pension	Other Postemployment Benefit
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%

The District's pension contributions for the year ended June 30, 2024 were equal to the required contribution total. Total pension contributions were approximately $25,912,000. Of the total pension contributions approximately $25,109,000 was contributed to fund the Defined Benefit Plan and approximately $803,000 was contributed to the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2024 were equal to the required contribution total. Total OPEB benefits were approximately $5,735,000. Of the total OPEB contributions approximately $5,299,000 was contributed to fund the Defined Benefit Plan and approximately $436,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefit, include contributions funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

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

Pension Liabilities

The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2022 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-university Employers:	September 30, 2023	September 30, 2022
Total pension liability	$ 94,947,828,557	$ 95,876,795,620
Plan fiduciary net position	$ 62,581,762,238	$ 58,268,076,344
Net pension liability	$ 32,366,066,319	$ 37,608,719,276
Proportionate share	0.63696%	0.64678%
Net pension liability for the District	$ 206,158,983	$ 243,246,630

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

For the year ended June 30, 2024, the District recognized pension expense of approximately $25,516,939.

At June 30, 2024, the Reporting Unit 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
Changes of assumptions	$ 27,935,480	$ 16,106,963
Net difference between projected and actual plan investment earnings		4,218,680
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,346,989	2,703,266
Differences between expected and actual experience	6,507,810	315,803
Reporting Unit's contributions subsequent to the measurement date	23,369,756	
	$ 61,160,035	$ 23,344,712

$23,369,756, 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 subsequent fiscal year.

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

Year Ending September 30,	Amount
2024	$ 4,935,084
2025	3,904,029
2026	8,890,334
2027	(3,283,880)

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Liabilities (Asset)

The net OPEB liability (asset) was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2022 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability (asset) was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-university Employers:	September 30, 2023	September 30, 2022
Total other postemployment benefits liability	$ 11,223,648,949	$ 12,522,713,324
Plan fiduciary net position	$ 11,789,347,341	$ 10,404,650,683
Net other postemployment benefits liability (asset)	$ (565,698,392)	$ 2,118,062,641
Proportionate share	0.62116%	0.65344%
Net other postemployment benefits liability (asset) for the District	$ (3,513,881)	$ 13,840,268

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

For the year ended June 30, 2024, the District recognized OPEB benefit of approximately $6,069,728.

At June 30, 2024, the Reporting Unit 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
Changes of assumptions	$ 7,822,513	$ 941,979
Net difference between projected and actual plan investment earnings	10,714	
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,291,903	1,606,578
Differences between expected and actual experience		26,552,692
Reporting Unit's contributions subsequent to the measurement date	4,633,683	
	$ 13,758,813	$ 29,101,249

$4,633,683, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability (asset) in the subsequent fiscal year.

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

Year Ending September 30,	Amount
2024	$ (6,536,787)
2025	(6,043,805)
2026	(2,245,140)
2027	(2,238,092)
2028	(1,911,489)
2029	(1,000,806)

Actuarial Assumptions

Investment Rate of Return for Pension - 6.00% a year, compounded annually net of investment and administrative expenses for the MIP, Basic Pension Plus, and Pension Plus 2 Plan groups.

Investment Rate of Return for OPEB - 6.00% a year, compounded annually net of investment and administrative expenses.

Salary Increases - The rate of pay increase used for individual members is 2.75% - 11.55%, including wage inflation at 2.75%.

Inflation - 3.0%.

Mortality Assumptions -

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

Active: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and MP-202 adjusted for mortality improvements using projection scale from 2010.

Disabled Retirees: PubNS-2010 Male and Female Disabled Retiree Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Experience Study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2022. Assumption changes as a result of an experience study for the periods 2017 through 2022 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2023, valuation.

The Long-Term Expected Rate of Return on Pension and Other Postemployment Benefit Plan Investments - The pension rate was 6.00% (MIP, Basic, Pension Plus Plan, and Pension Plus 2 Plan), and the other postemployment benefit rate was 6.00%, net of investment and administrative expenses was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Cost of Living Pension Adjustments - 3.0% annual non-compounded for MIP members.

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.50% for year one and graded to 3.5% in year fifteen. Post 65, 6.25% for year one and graded to 3.5% in year fifteen.

Additional Assumptions for Other Postemployment Benefit Only - Applies to Individuals Hired Before September 4, 2012:

Opt Out Assumption - 21% of eligible participants hired before July 1, 2008, and 30% of those hired after June 30, 2008, are assumed to opt out of the retiree health plan.

Survivor Coverage - 80% of male retirees and 67% of female retirees are assumed to have coverage continuing after the retiree's death.

Coverage Election at Retirement - 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

The target asset allocation at September 30, 2023 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

Rate of Return - For fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was (8.29)% and (7.94)%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Discount Rate - A single discount rate of 6.00% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 6.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from school districts will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

OPEB Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that school districts contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net pension liability calculated using a single discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	$ 278,520,182	$ 206,158,983	$ 145,915,668

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net OPEB liability (asset) calculated using a single discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	$ 3,642,841	$ (3,513,881)	$ (9,664,381)

Sensitivity to the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates - The following presents the Reporting Unit's proportionate share of the net other postemployment benefit liability (asset) calculated using the healthcare cost trend rate, as well as what the Reporting Unit's proportionate share of the net other postemployment benefit liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefits		
	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	$ (9,679,716)	$ (3,513,881)	$ 3,159,573

<u>Pension and OPEB Plan Fiduciary Net Position</u>

Detailed information about the pension and OPEB's fiduciary net position is available in the separately issued Michigan Public School Employees' Retirement System 2023 Annual Comprehensive Financial Report.

Payable to the Pension and OPEB Plan - At year end the School District is current on all required pension and other postemployment benefit plan payments. Amounts accrued at year end for accounting purposes are separately stated in the financial statements as a liability titled accrued retirement. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers, and the contributions due from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

9. Risk Management and Benefits

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees and natural disasters. The District is a member of the West Michigan Risk Management Trust (Trust), a self-insurance program with 18 districts pooling together to insure property, liability, and auto exposures. Premiums from members of the Trust are arrived at through standard underwriting procedures. The members of the Trust have contributed amounts sufficient to fund individual and aggregate losses up to $250,000 and $1,350,000, respectively, on an annual basis. Excess insurance has been purchased to cover claims exceeding those amounts. Specific types of coverage are listed in the supplemental material. A $1,000 per occurrence deductible for property losses is maintained to place the responsibility for small charges with the members of the Trust.

The District carries commercial insurance for other risks of loss, including employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2024, or any of the prior three years.

10. Bond Compliance

The Capital Projects Funds include activities funded by bond. For these capital projects, the District has complied with the applicable provisions of Section 1351(a) of the Revised School Code. Beginning with the year of bond issuance, the District has reported the annual construction activity in the Capital Projects Funds as follows:

June 30, 2024		Cumulative Revenues		Cumulative Expenditures (excluding transfers)
2019 Bonds	$	705,106	$	38,301,615
2021 Bonds	$	2,910,493	$	64,655,571
2023 Bonds	$	1,847,155	$	232,965

The above revenue excludes net bond proceeds of $38,109,428 for the 2019 bonds, $63,158,682 for the 2021 bonds, and $29,086,019 for the 2023 bonds.

11. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

12. Tax Abatements

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions granted by townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities. The property taxes abated for all funds by municipality under these programs are as follows:

Municipality		Taxes abated
Ada Township	$	272,408
Cascade Township		49,898
	$	322,306

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's Section 22 Funding of the State School Aid Act.

There are no abatements made by the District.

Forest Hills Public Schools

Notes to Financial Statements

13. Upcoming Accounting Pronouncements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. 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. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

a. Management's discussion and analysis (MD&A);
   i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
      1) Overview of the Financial Statements,
      2) Financial Summary,
      3) Detailed Analyses,
      4) Significant Capital Asset and Long-Term Financing Activity,
      5) Currently Known Facts, Decisions, or Conditions;
   ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
   iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
b. Unusual or infrequent items;
c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
   i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
   ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;

e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

Required Supplementary Information

Forest Hills Public Schools

Required Supplementary Information
Budgetary Comparison Schedule - General Fund

Year ended June 30, 2024	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Local sources	$ 25,687,675	$ 28,522,147	$ 28,860,322	$ 338,175
State sources	86,289,689	90,753,878	92,333,501	1,579,623
Federal sources	6,616,288	8,226,253	8,200,779	(25,474)
Incoming transfers and other	10,310,600	10,735,423	10,634,533	(100,890)
Total revenues	128,904,252	138,237,701	140,029,135	1,791,434
Expenditures				
Current				
Instruction				
Basic programs	69,783,191	72,917,450	71,837,917	1,079,533
Added needs	8,309,543	8,611,693	8,600,619	11,074
Total instruction	78,092,734	81,529,143	80,438,536	1,090,607
Support services				
Pupil	9,240,540	9,808,815	9,682,594	126,221
Instructional staff	5,530,178	5,753,014	5,734,166	18,848
General administration	728,086	672,593	667,468	5,125
School administration	7,305,695	7,648,486	7,675,887	(27,401)
Business	1,966,575	1,948,758	1,689,442	259,316
Operation/maintenance	11,648,715	13,324,831	12,878,164	446,667
Pupil transportation	6,287,850	6,762,950	6,222,420	540,530
Central services	3,821,898	4,449,927	4,005,483	444,444
Other support services	3,270,776	3,498,278	3,534,376	(36,098)
Total support services	49,800,313	53,867,652	52,090,000	1,777,652
Community services	1,702,183	1,866,842	1,697,325	169,517
Debt service				
Principal		315,365	367,433	(52,068)
Interest			20,830	(20,830)
Total debt service		315,365	388,263	(72,898)
Outgoing transfers and other	333,365	163,200	163,200	
Total expenditures	129,928,595	137,742,202	134,777,324	2,964,878
Excess (deficiency) of revenues over (under) expenditures	(1,024,343)	495,499	5,251,811	4,756,312
Other Financing Sources (Uses)				
Sale of capital assets	50,000	71,175	71,165	(10)
Transfers out	(13)	(13)	(13)	
Transfers in	380,000	380,000	380,000	
Proceeds from subscription-based IT arrangements			208,448	208,448
Total other financing sources (uses)	429,987	451,162	659,600	208,438
Changes in fund balances	$ (594,356)	$ 946,661	5,911,411	$ 4,964,750
Fund Balances, beginning of year			18,560,847	
Fund Balances, end of year			$ 24,472,258	

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Forest Hills Public Schools

Required Supplementary Information
Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability
Michigan Public School Employee Retirement Plan
Last Ten Fiscal Years (Determined as of plan year ended September 30)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	0.63696%	0.64678%	0.62635%	0.62651%	0.63621%	0.64398%	0.64621%	0.64748%	0.66514%	0.65714%
Reporting Unit's proportionate share of net pension liability	$ 206,158,983	$ 243,246,630	$ 148,290,484	$ 215,211,777	$ 210,690,414	$ 193,593,162	$ 167,461,311	$ 161,540,348	$ 162,459,976	$ 144,743,892
Reporting Unit's covered-employee payroll	$ 61,899,401	$ 63,286,514	$ 56,892,487	$ 55,042,380	$ 55,296,936	$ 54,481,110	$ 54,393,825	$ 54,658,644	$ 56,533,172	$ 56,799,068
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	333.05%	384.36%	260.65%	390.99%	381.02%	355.34%	307.87%	295.54%	287.37%	254.83%
Plan fiduciary net position as a percentage of total pension liability (non-university employers)	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

Forest Hills Public Schools

Required Supplementary Information
Schedule of the Reporting Unit's Pension Contributions
Michigan Public School Employee Retirement Plan
Last Ten Fiscal Years (Determined as of the year ended June 30)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 25,109,448	$ 29,203,718	$ 21,180,572	$ 18,356,199	$ 16,977,014	$ 16,594,792	$ 16,891,003	$ 14,928,424	$ 14,194,187	$ 11,944,916
Contributions in relation to statutorily required contributions	25,109,448	29,203,718	21,180,572	18,356,199	16,977,014	16,594,792	16,891,003	14,928,424	14,194,187	11,944,916
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 63,230,106	$ 61,550,355	$ 60,189,541	$ 56,405,803	$ 55,173,961	$ 55,275,159	$ 54,414,234	$ 56,015,095	$ 55,051,841	$ 57,042,047
Contributions as a percentage of covered-employee payroll	39.71%	47.45%	35.19%	32.54%	30.77%	30.02%	31.04%	26.65%	25.78%	20.94%

Forest Hills Public Schools

Required Supplementary Information
Schedule of the Reporting Unit's Proportionate Share
of the Net OPEB Liability (Asset)
Michigan Public School Employee Retirement Plan
Last Seven Fiscal Years (Determined as of plan year ended September 30)

	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net OPEB liability (%)	0.62116%	0.65344%	0.63058%	0.62232%	0.63331%	0.64002%	0.64637%
Reporting Unit's proportionate share of net OPEB liability (asset)	$ (3,513,881)	$ 13,840,268	$ 9,625,097	$ 33,339,490	$ 45,457,453	$ 50,874,956	$ 57,238,748
Reporting Unit's covered-employee payroll	$ 61,899,401	$ 63,286,514	$ 56,892,487	$ 55,042,380	$ 55,296,936	$ 54,481,110	$ 54,393,825
Reporting Unit's proportionate share of net OPEB liability (asset) as a percentage of its covered-employee payroll	5.68%	21.87%	16.92%	60.57%	82.21%	93.38%	105.23%
Plan fiduciary net position as a percentage of total OPEB liability (non-university employers)	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

Forest Hills Public Schools

Required Supplementary Information
Schedule of the Reporting Unit's OPEB Contributions
Michigan Public School Employee Retirement Plan
Last Seven Fiscal Years (Determined as of the year ended June 30)

	2024	2023	2022	2021	2020	2019	2018
Statutorily required OPEB contributions	$ 5,299,149	$ 5,077,189	$ 4,999,425	$ 4,873,960	$ 4,726,246	$ 4,543,578	$ 4,739,561
Contributions in relation to statutorily required contributions	5,299,149	5,077,189	4,999,425	4,873,960	4,726,246	4,543,578	4,739,561
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll (OPEB)	$ 63,230,106	$ 61,550,355	$ 60,189,451	$ 56,405,803	$ 55,173,961	$ 55,275,159	$ 54,414,234
OPEB contributions as a percentage of covered-employee payroll	8.38%	8.25%	8.31%	8.64%	8.57%	8.22%	8.71%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

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Forest Hills Public Schools

Notes to the Required Supplementary Information

1. Pension Information

Benefit Changes - there were no changes of benefit terms in 2023.

Changes of Assumptions - the assumption changes for 2023 were:

Mortality assumptions were updated to the Pub-2010 Male and Female Retiree Mortality Tables from the RP-2014 Male and Female Healthy Annuitant table.

2. OPEB Information

Benefit Changes - there were no changes of benefit terms in 2023.

Changes of Assumptions - the assumption changes for 2023 were:

Healthcare Cost Trend Rate

Pre 65 decreased to 7.50% for year one graded to 3.50% for year fifteen from 7.75% for year one graded to 3.50% for year fifteen.

Post 65 increased to 6.25% for year one and graded to 3.5% for year fifteen from 5.25% for year one and graded to 3.5% for year fifteen.

Mortality assumptions were updated to the Pub-2010 Male and Female Retiree Mortality Tables from the RP-2014 Male and Female Healthy Annuitant table.

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APPENDIX D
FORM OF APPROVING OPINION

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THRUN
LAW FIRM, P.C.

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DRAFT LEGAL OPINION

Forest Hills Public Schools
County of Kent
State of Michigan

We have acted as bond counsel in connection with the issuance by Forest Hills Public Schools, County of Kent, State of Michigan (the "Issuer"), of its bonds in the aggregate principal amount of $_____________ designated 2025 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax) (the "Bonds"). The Bonds are in fully registered form and issued without coupons, are dated ___________, 2025, are of $5,000 denomination or any integral multiple thereof, are subject to redemption prior to maturity at the option of the Issuer in the manner and at the times as set forth in the Bonds, mature on May 1 of each year, and bear interest payable on November 1, 2025, and semiannually thereafter on May 1 and November 1 of each year in the amounts and at the rates as follows:

Year	Amount	Rate	Year	Amount	Rate

The Bonds maturing on May 1, 20__, are term Bonds subject to mandatory redemption in part, by lot, on the redemption dates and at the redemption price equal to the principal amount thereof as provided in the Bonds.

We have examined the documents which we deem authentic and pertinent to the validity of the Bonds, including the certified record evidencing the authorization of the Bonds by the electors and board of education of the Issuer, a copy of the approval of the Department of Treasury of the State of Michigan to issue the Bonds, and a specimen of the Bond certificates.

Based upon the foregoing, we are of the opinion that under existing law:

(1) the Bonds have been lawfully authorized and issued and are enforceable obligations of the Issuer in accordance with their terms;

(2) the Bonds are the general obligation of the Issuer for which its full faith, credit and resources have been irrevocably pledged;

(3) the Issuer has the power, and is obligated, to levy taxes on all taxable property now situated within the corporate boundaries of the Issuer, without limitation as to rate or amount, sufficient to pay the principal of and interest on the Bonds;

THRUN
LAW FIRM, P.C.

(4) the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof; and

(5) the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds held by an "applicable corporation" as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), is included in annual "adjusted financial statement income" for purposes of calculating the alternative minimum tax imposed on an applicable corporation. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement of such rights may also be subject to the exercise of judicial discretion in appropriate cases.

THRUN LAW FIRM, P.C.

TLF/JJS

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF
CONTINUING DISCLOSURE AGREEMENT

$__________
FOREST HILLS PUBLIC SCHOOLS
COUNTY OF KENT
STATE OF MICHIGAN
2025 SCHOOL BUILDING AND SITE BONDS, SERIES I
(GENERAL OBLIGATION - UNLIMITED TAX)

This Continuing Disclosure Agreement (the "Agreement") is executed and delivered by Forest Hills Public Schools, County of Kent, State of Michigan (the "Issuer"), in connection with the issuance of its $__________ 2025 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax) (the "Bonds"). The Bonds are being issued pursuant to resolutions adopted by the Board of Education of the Issuer on December 16, 2024 and _____________, 2025 (together, the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Agreement is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with the Rule. The Issuer acknowledges that this Agreement does not address the scope of any application of Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act to the Annual Reports or notices of the Listed Events provided or required to be provided by the Issuer pursuant to this Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Agreement.

"Bondholder" means the registered owner of a Bond or any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

"Dissemination Agent" means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access which provides continuing disclosure services for the receipt and public availability of continuing disclosure documents and related information required by Rule 15c2-12 promulgated by the SEC.

"Financial Obligation" shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b) provided; however, that a "Financial Obligation" shall not include any municipal security for which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

"Official Statement" shall mean the final Official Statement for the Bonds dated __________, 2025.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Resolution" shall mean the resolutions duly adopted by the Issuer authorizing the issuance, sale and delivery of the Bonds.

"Rule" shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time.

"SEC" shall mean the Securities and Exchange Commission.

"State" shall mean the State of Michigan.

SECTION 3. Provision of Annual Reports.

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, on or prior to the end of the sixth month after the end of the fiscal year of the Issuer commencing with the fiscal year ending June 30, 2025, to EMMA an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Agreement. Currently, the Issuer's fiscal year ends on June 30. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Agreement; provided, however, that if the audited financial statements of the Issuer are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the financial statements contained in the Official Statement shall be included in the Annual Report.

(b) The Annual Report shall be submitted to EMMA either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA in accordance with the submission process, document format and configuration requirements established by the MSRB. The Annual Report shall also include all related information required by MSRB to accurately identify: (i) the category of information being provided; (ii) the period covered by the Annual Report; (iii) the issues or specific securities to which the Annual Report is related (including CUSIP number, Issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the Issuer; (v) the name and date of the document; and (vi) contact information for the Dissemination Agent or the Issuer's submitter.

(c) If the Issuer is unable to provide to EMMA an Annual Report by the date required in subsection (a), the Issuer shall send a notice in a timely manner to the MSRB in substantially the form attached as Appendix A.

(d) If the Issuer's fiscal year changes, the Issuer shall send a notice of such change to the MSRB in substantially the form attached as Appendix B. If such change will result in the Issuer's fiscal year ending on a date later than the ending date prior to such change, the Issuer shall provide notice of such change to the MSRB on or prior to the deadline for filing the Annual Report in effect when the Issuer operated under its prior fiscal year. Such notice may be provided to the MSRB along with the Annual Report, provided that it is filed at or prior to the deadline described above.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) audited financial statements of the Issuer prepared pursuant to State laws, administrative rules and guidelines and pursuant to accounting and reporting policies conforming in all material respects to generally accepted accounting principles as applicable to governmental units as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time; and

(b) additional annual financial information and operating data as set forth in the Official Statement under "CONTINUING DISCLOSURE".

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which previously have been provided to each of the Repositories or filed with the SEC. If the document included by specific reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Issuer covenants to provide, or cause to be provided, notice in a timely manner not in excess of ten business days of the occurrence of any of the following events with respect to the Bonds in accordance with the Rule:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
(7) modifications to rights of security holders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer or other obligated person;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or other obligated person or the sale of all or substantially all of the assets of the Issuer or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a Financial Obligation of the Issuer or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or other obligated person, any of which affect security holders, if material;

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer or other obligated person, any of which reflect financial difficulties.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would constitute material information for the Bondholders, provided that any event other than those listed under Section 5(a)(2), (6), (7), (8), (10), (13), (14) or (15) above will always be deemed to be material. Events listed under Section 5(a)(6) and (8) above will always be deemed to be material except with respect to that portion of those events which must be determined to be material.

(c) The Issuer shall promptly cause a notice of the occurrence of a Listed Event, determined to be material in accordance with the Rule, to be electronically filed with EMMA, together with a significant event notice cover sheet substantially in the form attached as Appendix C. In connection with providing a notice of the occurrence of a Listed Event described in Section 5(a)(9) above, the Issuer shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) The Issuer acknowledges that the “rating changes” referred to above in Section 5(a)(11) of this Agreement may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Issuer is liable.

(e) The Issuer acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

SECTION 6. Termination of Reporting Obligation.

(a) The Issuer's obligations under this Agreement shall terminate upon the legal defeasance of the Resolution or the prior redemption or payment in full of all of the Bonds.

(b) This Agreement, or any provision hereof, shall be null and void in the event that the Issuer (i) receives an opinion of nationally recognized bond counsel, addressed to the Issuer, to the effect that those portions of the Rule, which require such provisions of this Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB.

SECTION 7. Dissemination Agent. The Issuer, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may be amended, and any provision of this Agreement may be waived to the effect that:

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Issuer, or the types of business in which the Issuer is engaged;

(b) this Agreement as so amended or taking into account such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, in the opinion of independent legal counsel; and

(c) such amendment or waiver does not materially impair the interests of the Bondholders, in the opinion of independent legal counsel.

If the amendment or waiver results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Agreement, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. If the amendment or waiver involves a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared based on the new accounting principles and those prepared based on the former accounting principles. The comparison should include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles should be sent by the Issuer to the MSRB. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution or the Bonds, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with the Agreement shall be an action to compel performance.

SECTION 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the Bondholders and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

FOREST HILLS PUBLIC SCHOOLS
COUNTY OF KENT
STATE OF MICHIGAN

By:______________________________________
Its: Superintendent

Dated: ____________, 2025

APPENDIX A

NOTICE TO THE MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Forest Hills Public Schools, Kent County, Michigan

Name of Bond Issue: 2025 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax)

Date of Bonds: ________________, 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of its Continuing Disclosure Agreement with respect to the Bonds. The Issuer anticipates that the Annual Report will be filed by _____________.

FOREST HILLS PUBLIC SCHOOLS
COUNTY OF KENT
STATE OF MICHIGAN

By: ____________________________________
Its: Superintendent

Dated: ________________________

APPENDIX B

NOTICE TO THE MSRB OF CHANGE IN ISSUER'S FISCAL YEAR

Name of Issuer:	Forest Hills Public Schools, Kent County, Michigan
Name of Bond Issue:	2025 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax)
Date of Bonds:	_________________, 2025

NOTICE IS HEREBY GIVEN that the Issuer's fiscal year has changed. Previously, the Issuer's fiscal year ended on _______________. It now ends on _________________.

FOREST HILLS PUBLIC SCHOOLS
COUNTY OF KENT
STATE OF MICHIGAN

By: ____
Its: Superintendent

Dated: _________________________

APPENDIX C

SIGNIFICANT EVENT NOTICE COVER SHEET

This cover sheet and significant event notice should be provided in an electronic format to the Municipal Securities Rulemaking Board pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or other Obligated Person's Name: ______________________________

Issuer's Six-Digit CUSIP Number(s): ______________________________

or Nine-Digit CUSIP Number(s) to which this significant event notice relates: ______________________________

Number of pages of attached significant event notice: ______________________________

Description of Significant Events Notice (Check One):

1. ______ Principal and interest payment delinquencies
2. ______ Non-payment related defaults
3. ______ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ______ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ______ Substitution of credit or liquidity providers, or their failure to perform
6. ______ Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. ______ Modifications to rights of security holders
8. ______ Bond calls
9. ______ Tender offers
10. ______ Defeasances
11. ______ Release, substitution, or sale of property securing repayment of the securities
12. ______ Rating changes
13. ______ Bankruptcy, insolvency, receivership or similar event of the Issuer or other obligated person
14. ______ The consummation of a merger, consolidation, or acquisition involving the Issuer or other obligated person or the sale of all or substantially all of the assets of the Issuer or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms
15. ______ Appointment of a successor or additional trustee or the change of name of a trustee
16. ______ Incurrence of a financial obligation of the Issuer or other obligated person
17. ______ Agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation that affect security holders
18. ______ Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer or other obligated person that reflect financial difficulties
19. ______ Other significant event notice (specify) ______________________________

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: ______________________________

Name: ______________________________ Title: ______________________________

Employer: ______________________________

Address: ______________________________

City, State, Zip Code: ______________________________

Voice Telephone Number: (____________)______________________________

The MSRB Gateway is www.msrb.org or through the EMMA portal at emma.msrb.org/submission/ Submission_Portal.aspx. Contact the MSRB at (703) 797-6600 with questions regarding this form or the dissemination of this notice. The cover sheet and notice may also be faxed to the MAC at (313) 963-0943.

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FOREST HILLS
PUBLIC SCHOOLS

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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