PRELIMINARY OFFICIAL STATEMENT DATED APRIL 29, 2025

NEW ISSUE—Book-Entry-Only **RATING†*:** S&P Global Ratings ___

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.

$30,000,000**
KENTWOOD PUBLIC SCHOOLS
COUNTY OF KENT, STATE OF MICHIGAN
2025 SCHOOL BUILDING AND SITE BONDS, SERIES III
(GENERAL OBLIGATION - UNLIMITED TAX)

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

On May 4, 2021, the qualified electors of Kentwood Public Schools, County of Kent, State of Michigan (the "School District") approved the issuance of bonds in the amount not to exceed $192,150,000 to be issued in one or more series. Proceeds of the 2025 School Building and Site Bonds, Series III (General Obligation – Unlimited Tax) (the "Bonds") in the amount of $30,000,000**, representing the third series of bonds to be issued pursuant to such voter 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 April 21, 2025 and expected to be adopted on May __ 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, Grand Rapids, 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 November 1 and May 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§
2035	$205,000				2046	$ 955,000			
2036	100,000				2047	1,285,000			
2037	840,000				2048	1,670,000			
2038	715,000				2049	2,585,000			
2039	605,000				2050	2,715,000			
2040	510,000				2051	2,850,000			
2041	420,000				2052	2,995,000			
2042	320,000				2053	3,145,000			
2043	215,000				2054	3,300,000			
2044	130,000				2055	3,465,000			
2045	975,000								

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., Grand Rapids, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Varnum LLP, Grand Rapids, Michigan. It is expected that the Bonds will be available for delivery through DTC on or about May __, 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**

The date of this Official Statement is May __, 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.

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TABLE OF CONTENTS

OFFICIAL STATEMENT
relating to

$30,000,000[1]
KENTWOOD PUBLIC SCHOOLS
COUNTY OF KENT, STATE OF MICHIGAN
2025 SCHOOL BUILDING AND SITE BONDS, SERIES III
(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 Kentwood Public Schools, County of Kent, State of Michigan (the "School District") of its 2025 School Building and Site Bonds, Series III (General Obligation - Unlimited Tax) (the "Bonds") in the principal amount of $30,000,000[1].

PURPOSE AND SECURITY

On May 4, 2021, the qualified electors of the School District approved a proposal authorizing the issuance of bonds in an aggregate amount of not to exceed $192,150,000, to be issued in one or more series. Proceeds of the Bonds in the principal amount of $30,000,000[1], representing the third series of bonds pursuant to such authorization, will be used for the purpose of erecting, completing, and remodeling school buildings; furnishing or refurnishing, and equipping or re-equipping school buildings; acquiring, installing, and equipping or re-equipping school buildings for instructional technology; purchasing school buses; and acquiring, preparing, developing, improving and equipping athletic facilities, athletic fields, play fields, playgrounds and other facilities and sites (the "Project"); and paying the costs of issuing the Bonds.

The Bonds, as authorized for issuance by the resolutions of the Board of Education of the School District adopted on April 21, 2025 and expected to be adopted on May __, 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 November 1 and May 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, Grand Rapids, 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 and notice of redemption 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 Paying 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

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[1] Preliminary, subject to change.

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.

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 $332 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

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[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.

additional millage to obtain the foundation allowance, first by levying such amount of the 18 mills against 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 B.

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 $1,568,733 of the ESSER I Funds; $7,006,423 of the ESSER II Funds; and $15,746,622 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

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[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.

property of each owner with a combined true cash value in a local tax collecting unit of less than $80,000 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., Grand Rapids, 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.

[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.

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. 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., Grand Rapids, 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 Underwriter by its counsel, Varnum LLP, Grand Rapids, 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 No. 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

S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLC ("S&P") 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 S&P 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 S&P 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 S&P. Further information is available upon request from S&P Global Ratings, 55 Water Street, New York, New York 10041, telephone: (212) 438-1000.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated and Huntington Securities, Inc., dba Huntington Capital Markets (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 (table only)," "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 agreement 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.

KENTWOOD PUBLIC SCHOOLS
COUNTY OF KENT
STATE OF MICHIGAN

By: ______________________
Its: Superintendent of Schools

APPENDIX A[1]

KENTWOOD PUBLIC SCHOOLS

GENERAL FINANCIAL, ECONOMIC AND SCHOOL INFORMATION

LOCATION AND AREA

Kentwood Public Schools (the "School District") encompasses an area of approximately 24.5 square miles in portions of the Cities of Kentwood, Grand Rapids and Wyoming and portions of the Townships of Byron and Gaines in Kent County, in the Southwest section of Michigan's Lower Peninsula.

POPULATION

The U.S. Census reported and 2023 estimated populations for the School District, City of Kentwood and County of Kent are as follows:

	School District	City of Kentwood	County of Kent
2023 Estimate	68,113	54,114	658,844
2020 U.S. Census	70,310	54,304	657,974
2010 U.S. Census	61,913	48,707	602,622

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.

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**	9,581	2.57%	2020	9,258	0.44%
2024	9,343	0.67	2019	9,217	1.89
2023	9,281	0.43	2018	9,046	0.98
2022	9,241	1.58	2017	8,958	1.50
2021	9,097	-1.74	2016	8,826	--

2024/2025 Fall Count**

Kindergarten	864	7th	724
1st	708	8th	689
2nd	688	9th	769
3rd	740	10th	793
4th	729	11th	769
5th	699	12th	705
6th	704	Total	9,581

*Does not include students in the young 5's program.
**Unaudited.
Source: School District and Michigan Department of Education via website www.michigan.gov

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

SCHOOL DISTRICT FACILITIES

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

Facility	Grades Served	Year Built	Last Remodel/Addition	Type of Construction
Elementary Schools:				
Bowen	K-5	1952	2018	Masonry
Brookwood	K-5	1961	2020	Masonry
Challenger	K-5	1990	2017	Masonry
Discovery	K-5	2006	2017	Masonry
Endeavor	K-5	1996	2020	Masonry
Explorer	K-5	1993	2018	Masonry
Glenwood	K-5	1966	2018	Masonry
Hamilton (Elementary & ECC)*	Young 5's -5	1954	2025	Masonry
Kentwood ECC	Young 5's -5	1954	2024	Masonry
Meadowlawn	K-5	1954	2021	Masonry
Southwood	K-5	1963	2017	Masonry
Middle Schools:				
Crestwood	6-8	1960	2018	Masonry
Pinewood	6-8	1991	2025	Masonry
Valleywood	6-8	1967	2018	Masonry
High Schools:				
East Kentwood (Freshman Campus)	9	1994	2021	Masonry
East Kentwood	10-12	1968	2021	Masonry
Additional Facilities:				
Crossroads Alt/Community Ed	--	2005	--	Masonry
Stadium	--	2004	2021	Masonry
Ice Arena	--	1984	2003	Masonry
Facilities & Operation / CNS	--	1949	2007	Masonry
Transportation	--	1992	2017	Masonry
Administration	--	1961	2018	Masonry
1122 44th Educational Services Bldg. (SE Office)	--	1987	2017	Masonry

*Opening in fall of 2025.

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
Excel Charter Academy	Y5 - 8	783
Legacy Christian School	P - 8	354
Trinitas Classical Christian School	K - 8	59
		1,196

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 year 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	$106,235,630[3]	9,555.69[3]	$11,118[3]
2024	9,608	106,791,047	9,330.37	11,446
2023	9,150	97,302,027	9,270.85	10,495
2022	8,700	79,497,659	9,224.34	8,618
2021	8,111	72,557,170[4]	9,212.97	7,876[4]
2020	8,111	74,420,412[5]	9,245.16	8,050[5]

[1]Includes payments received for MPSERS UAAL rate stabilization. See "RETIREMENT PLAN - 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.

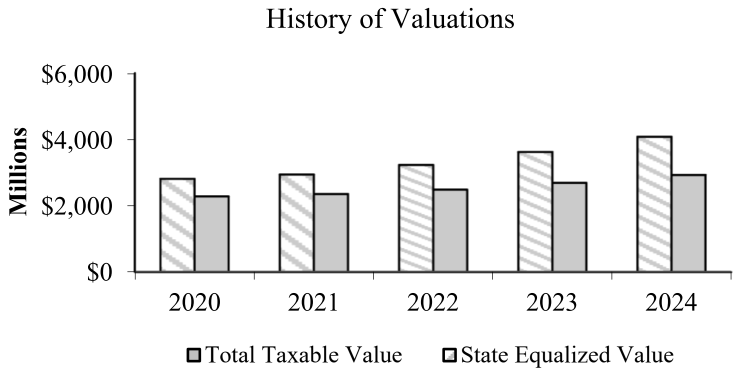
Taxable property in the School District is assessed by the local municipal assessor, and is subject to review by the County Equalization Department.

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	$1,514,666,217	$1,413,528,979	$2,928,195,196	8.80%	$4,079,544,900	12.59%
2023	1,395,878,536	1,295,429,576	2,691,308,112	8.33	3,623,465,500	12.08
2022	1,296,754,048	1,187,578,986	2,484,333,034	5.62	3,232,993,200	9.90
2021	1,223,068,397	1,129,066,881	2,352,135,278	3.06	2,941,871,500	4.67
2020	1,192,581,664	1,089,749,533	2,282,331,197	----	2,810,648,600	----

[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 $2,129,800 and commercial personal property had a taxable value of $100,028,000 in the School District.
Source: Kent County Equalization Department



Annual Equivalent Valuation

A summary of the 2024 valuation is as follows:

2024 Taxable Value	$2,928,195,196
Plus: 2024 Equivalent IFT Taxable Value[1]	10,928,566
Total 2024 Equivalent Taxable Value	$2,939,123,762
Less: 2024 Disabled Veterans Exemption Taxable Value[2]	(6,396,175)
2024 Equivalent Valuation	$2,932,727,587

[1]See "INDUSTRIAL FACILITY TAX ABATEMENTS" herein.

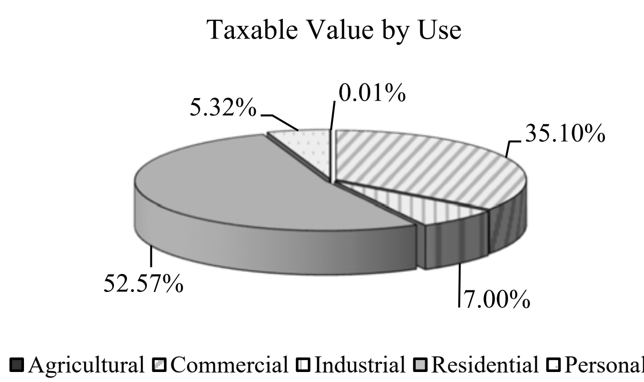
[2]Represents value which is exempt from taxes pursuant to Michigan's General Property Tax Act Section 7b, MCL 211.7b, which states real property used and owned as a homestead by either (1) a disabled veteran who was discharged from the United States armed forces under honorable conditions or (2) the 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	$2,772,365,196	94.68%
Personal Property	155,830,000	5.32
TOTAL	$2,928,195,196	100.00%
By Use:		
Agricultural	$161,410	0.01%
Commercial	1,027,742,751	35.10
Industrial	205,072,367	7.00
Residential	1,539,388,668	52.57
Personal	155,830,000	5.32
TOTAL	$2,928,195,196	100.00%



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

Municipality	2024 Taxable Value	Percent of Total
County of Kent		
City of Grand Rapids	$252,601,717	8.63%
City of Kentwood	1,996,351,525	68.18
City of Wyoming	16,081,670	0.54
Byron Township	85,390,051	2.92
Gaines Township	577,770,233	19.73
TOTAL	$2,928,195,196	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 $21,857,131, all of which is taxed at ½ rate. For purposes of computing "Equivalent" Taxable Value, it has been shown in the "History of Valuations" section as 50% of the Taxable Value.

Source: Kent County Equalization Department

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
PR Woodland LTD Partnership	Real Estate	$71,465,402
Holland Home[1]	Retirement Community	51,298,342
VA8 Woodland LLC	Apartments	45,185,100
Steelcase Inc.	Furniture Mfg.	43,776,458
Consumers Energy	Utility	32,003,966
Green Castle Properties LLC	Apartments	20,991,158
Woodfield LLC	Apartments	16,212,613
MBR River Oaks Apartments LLC	Apartments	16,074,540
Noble Heights Real Estate Ventures	Apartments	15,957,500
DTE Gas Company	Utility	15,166,685
TOTALS		$328,131,764
Total 2024 Taxable Value		$2,928,195,196
Top 10 Taxpayers as a % of 2024 Total Taxable Value		11.21%

[1]Holland Home is appealing $2,994,744 of its valuations to the Michigan Tax Tribunal.
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	18.0000	18.0000	18.0000	18.0000
Debt	4.0000	4.0000	4.0000	4.2500	4.2500
Sinking Fund	1.5518	1.5718	1.5718	1.5879	1.5972
Total Non-Principal Residence	23.5518	23.5718	23.5718	23.8379	23.8472
Total Principal Residence	5.5518	5.5718	5.5718	5.8379	5.8472

The School District levies voted operating millage on non-principal residence property and sinking fund millage and authorized debt millage on all taxable property within the School District. The voted operating millage expires with the 2029 levy. **The current sinking fund millage expires with the 2025 levy. Voters approved a new sinking fund millage of 1.5718 mills effective 2026 – 2035, which has been rolled back by operation of the Headlee Amendment to 1.5518 mills.**

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	6.0961
City of Grand Rapids	8.9544	9.0325
City of Kentwood	12.3127	10.4780
City of Wyoming	13.1493	13.2404
Byron Township	0.7100	0.7100
Gaines Township	0.8048	0.8162
Kent ISD[1]	5.4020	5.4447
Grand Rapids Community College	1.6951	1.7085

[1]On May 2, 2017, the electors of Kent Intermediate School District approved a regional enhancement millage of 0.9 mill for a period of ten years, 2017-2026, inclusive. The School District expects to receive $3,206,656 in fiscal year 2024/25 from the regional enhancement millage based on its pupil membership count.

Source: Kent County Equalization Department and School District

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 in the City of Grand Rapids and July 1 and December 1 of each fiscal year in the other municipalities. Taxes are payable without interest or penalty on or before the following July 31 in the City of Grand Rapids and without interest on or before the following September 14 and February 14, respectively, in the other municipalities and without penalty on or before the following February 14 in the other municipalities. 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 Delinquent Tax Revolving Fund 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	$25,828,000*	$24,836,743	96.16%	N/A	
2023	23,727,300	23,401,867	98.63	$23,550,012	99.25%
2022	21,750,000	21,195,184	97.45	21,586,365	99.25
2021	20,308,867	19,780,856	97.40	20,284,537	99.88
2020	19,781,034	19,525,507	98.71	19,730,428	99.74
2019	18,795,754	18,372,215	97.75	18,734,098	99.67

*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]	$25,997,533	$5,652,394	$31,649,927	$9,307,750
2024	26,818,189	5,751,592	32,569,781	12,856,995
2023	28,719,978	5,162,911	33,882,889	17,067,872
2022	21,906,266	5,286,873	27,193,139	10,022,392
2021	18,146,028	4,582,592	22,728,620	8,143,668

[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 $204,491,898 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 $3,646,460 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	52	Non-Affiliated	N/A
Teachers	672	KCEA / KEA	06/30/26
Support Staff	407	KESPA and KESA	06/30/26
Other	375	Non-Affiliated	NA
TOTAL	1,506		

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

DEBT STATEMENT* - (As of 04/29/25 – including the Bonds described herein)

DIRECT DEBT:

Dated Date	Purpose	Bond Type	Final Maturity	Principal Outstanding
02/02/16	Building & Site	UTNQ	05/01/44	$24,090,000
02/06/19	Building & Site, Series II	UTNQ	05/01/36	16,285,000
06/23/20	Building & Site, Series III	UTNQ	05/01/44	7,585,000
06/15/22	Building & Site, Series I	UTNQ	05/01/48	19,275,000
05/31/23	Building & Site, Series II	UTNQ	05/01/53	74,775,000
__/__/25	Building & Site, Series III	UTNQ	05/01/55	30,000,000*
NET DIRECT DEBT				$172,010,000*

OVERLAPPING DEBT:

Percent Share	Municipality	Net Debt	District's Share	
3.30%	City of Grand Rapids	$226,795,000	$7,484,235	
76.25	City of Kentwood	3,178,672	2,423,737	
0.54	City of Wyoming	0	0	
4.87	Byron Township	0	0	
41.83	Gaines Township	28,827	12,058	
8.61	Kent County	64,965,000	5,593,487	
8.31	Kent ISD	0	0	
8.32	Grand Rapids Community College	18,675,000	1,553,760	
TOTAL OVERLAPPING DEBT				17,067,277
NET DIRECT AND OVERLAPPING DEBT				$189,077,277*

*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

Following the issuance of the 2025 bonds, described herein, the School District will have approximately $59,725,000 of voted bonding authority remaining that is expected to be issued in series over the next three years.

DEBT RATIOS*

Estimated School District Population	68,113
2024 Taxable Value	$2,928,195,196
2024 State Equalized Value (SEV)	$4,079,544,900
2024 True Cash Value (TCV)	$8,159,089,800
Per Capita 2024 Taxable Value	$42,990.25
Per Capita 2024 State Equalized Value	$59,893.78
Per Capita 2024 True Cash Value	$119,787.56
Per Capita Net Direct Debt	$2,525.36
Per Capita Net Direct and Overlapping Debt	$2,775.94
Percent of Net Direct Debt of 2024 Taxable Value	5.87%
Percent of Net Direct and Overlapping Debt of 2024 Taxable Value	6.46%
Percent of Net Direct Debt of 2024 SEV	4.22%
Percent of Net Direct and Overlapping Debt of 2024 SEV	4.63%
Percent of Net Direct Debt of 2024 TCV	2.11%
Percent of Net Direct and Overlapping Debt of 2024 TCV	2.32%

*Preliminary, subject to change.

LEGAL DEBT MARGIN* - (As of 04/29/25 – including the Bonds described herein)

2024 State Equalized Value		$4,079,544,900
Legal Debt Limit - 15% of SEV		$611,931,735
Total Bonded Debt Outstanding	$172,010,000	
Less: SLRF Qualified Bonds[1]	0	
Net Amount Subject to Legal Debt Limit		172,010,000
LEGAL DEBT MARGIN AVAILABLE		$439,921,735

*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 County of Kent:

Employer	Product or Service	Approx. No. of Employees
Within the School District		
Steelcase Inc. Learning & Innovation Center (incl. in total below)	Office Furniture Mfg.	2,000
Hearthside Food Solutions, LLC (3 locations, incl. in total below)	Cookies, Snacks & Cereal	1,924
Kentwood Public Schools	Education	1,506
Ventra Grand Rapids 5, LLC	Automotive Components & Assemblies	1,200
Lacks Trim Systems LLC	Automotive Trim & Wheel Trim Systems	667
NN, Inc.	Precision Machined Components	400
North America Fuel Systems Remanufacturing, LLC	Fuel Injection Systems	164
Within the County of Kent		
Corewell Health (formerly Spectrum Health)	Healthcare	25,000
Meijer, Inc. (HQ)	Retail & Grocery	10,340
Trinity Health Grand Rapids	Healthcare	8,500
Gordon Food Service (HQ)	Wholesale Food Products	5,000
Alticor, Inc. (formerly Amway Corp.) (HQ)	Household Products	3,791
Perrigo Company	Pharmaceutical Manufacturer	3,500
Farmers Insurance Group/Foremost	Direct Property & Casualty Insurance Carrier	3,500
Steelcase Inc.	Office Furniture Mfg.	3,400
Lacks Enterprises, Inc. (HQ)	Automotive Accessories Manufacturer	3,000
Hope Network	Healthcare	2,162
Hearthside Food Solutions, LLC (4 locations)	Cookies, Snacks & Cereal	2,124
Grand Rapids Public Schools	Education	2,111
Gerald R. Ford International Airport*	Airport	1,900
Wolverine World Wide Inc. (HQ)	Work Apparel & Footwear	1,750
City of Grand Rapids	Government	1,557
GE Aviation Systems, LLC	Aerospace Company	1,300
Davenport University	Education	1,262
Amazon Fulfillment Center	Ecommerce / Distribution Center	1,250
Roskam Baking Co.	Wheat-based Croutons	1,000

*In addition to the persons employed directly by the Airport Authority, the figure shown includes persons employed by airlines, TSA, rental car facilities, concessionaires, as well as other facilities at the Airport.
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 City of Kentwood and County of Kent as follows:

	City of Kentwood		County of Kent	
	Number	Percent	Number	Percent
PERSONS BY OCCUPATION	28,139	100.00%	343,812	100.00%
Management, Business, Science & Arts	10,509	37.35	144,490	42.03
Service	3,765	13.38	49,452	14.38
Sales & Office	5,401	19.19	68,858	20.03
Natural Resources, Construction & Maintenance	1,719	6.11	22,769	6.62
Production, Transportation & Material Moving	6,745	23.97	58,243	16.94

The U.S. Census Bureau, 2019-2023 American Community Survey reports the breakdown by industry for persons 16 years and over for the City of Kentwood and County of Kent as follows:

	City of Kentwood		County of Kent	
	Number	Percent	Number	Percent
PERSONS BY INDUSTRY	28,139	100.00%	343,812	100.00%
Agriculture, Forestry, Fishing, Hunting & Mining	191	0.67	2,356	0.68
Construction	1,538	5.47	18,946	5.51
Manufacturing	6,460	22.96	64,420	18.74
Wholesale Trade	764	2.72	11,851	3.45
Retail Trade	3,015	10.71	38,159	11.10
Transportation, Warehousing & Utilities	1,683	5.98	14,541	4.23
Information	372	1.32	4,161	1.21
Finance, Insurance & Real Estate	1,749	6.22	20,370	5.92
Professional, Scientific & Management Services	2,503	8.90	38,980	11.34
Educational, Health & Social Services	6,448	22.91	80,854	23.52
Arts, Entertainment, Recreation & Food Services	1,918	6.82	27,217	7.92
Other Services except Public Administration	936	3.33	15,049	4.38
Public Administration	562	1.99	6,908	2.00

UNEMPLOYMENT

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

Annual Average	City of Kentwood	County of Kent	State of Michigan
February, 2025	5.6%	4.8%	6.0%
2024	4.6	3.9	4.7
2023	3.9	3.4	3.9
2022	4.1	3.5	4.2
2021	5.4	4.7	5.7
2020[1]	9.3	8.1	10.0

[1]The unemployment figures shown reflect the 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 City of Kentwood and County of Kent as follows:

	City of Kentwood		County of Kent	
	Number	Percent	Number	Percent
Total Population	54,114	100.00%	658,844	100.00%
0 through 19 years	14,461	26.73	173,667	26.36
20 through 64 years	31,820	58.80	389,693	59.15
65 years and over	7,833	14.47	95,484	14.49
Median Age	34.7 years		35.7 years	

INCOME

The U.S. Census Bureau, 2019-2023 American Community Survey reports the breakdown of household income for the City of Kentwood and County of Kent as follows:

	City of Kentwood		County of Kent	
	Number	Percent	Number	Percent
HOUSEHOLDS BY INCOME	21,620	100.00%	254,860	100.00%
Less than $ 10,000	696	3.22	9,601	3.77
$ 10,000 to $ 14,999	568	2.63	7,978	3.13
$ 15,000 to $ 24,999	1,459	6.75	14,650	5.75
$ 25,000 to $ 34,999	1,375	6.36	16,186	6.35
$ 35,000 to $ 49,999	2,953	13.66	27,541	10.81
$ 50,000 to $ 74,999	3,903	18.05	42,716	16.76
$ 75,000 to $ 99,999	3,549	16.42	36,531	14.33
$100,000 to $149,999	4,232	19.57	50,038	19.63
$150,000 to $199,999	1,523	7.04	24,167	9.48
$200,000 or MORE	1,362	6.30	25,452	9.99
Median Income	$73,647		$80,390	

APPENDIX B

GENERAL FUND BUDGET SUMMARY AND COMPARATIVE FINANCIAL STATEMENTS

Kentwood Public Schools
General Fund Budget Summary

	As Amended 2024/2025
Revenues	
Local Sources	$27,376,600
State Sources	104,599,900
Federal Sources	9,654,900
Other Financing Sources	16,569,100
Total Revenues	$158,200,500
Expenditures	
Instruction	
Basic Program	$69,462,300
Added Needs	19,579,100
Support	
Pupil	12,647,600
Instructional Staff	14,017,100
General Administration	1,397,500
School Administration	8,067,400
Business Services	1,766,300
Operations & Maintenance	15,972,800
Transportation	6,273,400
Other Central Support	6,635,400
Athletics	3,885,400
Community Services	1,477,400
Other Financing Uses	19,200
Total Expenditures	$161,200,900
Excess of Expenditures (over) under Revenues	($3,000,400)
Beginning Fund Balance - July 1	$18,902,483
Projected Fund Balance - June 30	$15,902,083

Source: School District

Kentwood Public Schools
General Fund

Comparative Balance Sheet

	For Fiscal Years Ended June 30th		
	2022	2023	2024
Assets			
Cash and Cash Equivalents	$5,206,098	$3,208,303	$2,336,548
Investments	7,134,658	12,183,954	12,390,375
Receivables			
Accounts Receivable	869,519	1,543,036	1,285,631
Intergovernmental	18,132,918	23,326,874	25,257,450
Due from Other Funds	2,670	--	2,079,788
Prepaids	949,666	406,164	244,256
Inventories	321,654	375,317	523,818
Total Assets	$32,617,183	$41,043,648	$44,117,866
Liabilities			
Accounts Payable	$1,003,894	$1,560,106	$3,419,833
Accrued Salaries & Related Items	6,278,127	6,206,725	6,462,195
Accrued Employee Benefits	5,518,785	--	--
Accrued Retirement	--	5,345,982	4,981,772
Due to Other Funds	72,384	2,242,385	--
Due to Other Governmental Units	544,546	790,044	1,208,854
Unearned Revenue	2,140,744	3,938,204	7,880,806
Total Liabilities	$15,558,480	$20,083,446	$23,953,460
Deferred Inflows of Resources			
Unavailable Revenue - Leases	$ -	$1,371,646	$1,261,923
Fund Balances			
Nonspendable	$1,271,320	$781,481	$768,074
Unassigned	15,787,383	15,559,375	13,177,609
Assigned	--	3,247,700	4,956,800
Total Fund Balances	$17,058,703	$19,588,556	$18,902,483
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$32,617,183	$41,043,648	$44,117,866

Source: Audited Financial Statements

Kentwood Public Schools
General Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

	For Fiscal Years Ended June 30th		
	2022	2023	2024
Revenues			
Local Sources	$21,782,334	$23,598,528	$25,330,887
State Sources	79,590,409	94,657,023	107,730,571
Federal Sources	16,420,470	15,985,505	17,205,996
Interdistrict Sources	13,314,990	16,533,561	15,483,863
Total Revenues	$131,108,203	$150,774,617	$165,751,317
Expenditures			
Current			
Instruction	$75,422,869	$83,493,165	$87,094,977
Supporting Services	52,831,267	61,813,752	73,080,102
Community Service Activities	581,815	876,246	767,264
Athletics	1,902,981	--	--
Capital Outlay	--	1,833,995	1,144,240
Payments to Other Governments	--	--	5,102,150
Total Expenditures	$130,738,932	$148,017,158	$167,188,733
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	$ -	$81,421	$115,343
Operating Transfers In	400,000	422,400	636,000
Total Other Financing Sources (Uses)	$400,000	$503,821	$751,343
Net Change in Fund Balance	$769,271	$3,261,280	($686,073)
Fund Balance - Beginning	$16,289,432	$16,327,276*	$19,588,556
Fund Balance - Ending	$17,058,703	$19,588,556	$18,902,483

*As restated.
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.

Maner Costerisan

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Kentwood Public Schools

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kentwood Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Kentwood 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 Kentwood Public Schools, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Kentwood 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 Kentwood 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 Kentwood 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 Kentwood 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 Kentwood 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2024 on our consideration of Kentwood 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 Kentwood 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 Kentwood Public Schools' internal control over financial reporting and compliance.

October 7, 2024

KENTWOOD PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION & ANALYSIS

This section of the Kentwood Public Schools' (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2024. Please read it in conjunction with the District's financial statements which immediately follow this section. A comparative analysis with the prior year has been provided.

District-wide Financial Statements

The first two statements are District-wide financial statements that provide short-term and long-term financial information about the District's overall financial status. These statements are required by generally accepted accounting principles (GAAP) as described in the Government Accounting Standards Board (GASB) Statement No. 34. The statements are compiled using the full accrual basis of accounting and more closely represent financial statements presented by business and industry. All of the District's assets, liabilities, deferred inflows of resources, and deferred outflows of resources, both short and long-term, are reported. As such, these statements include capital assets, net of related depreciation, as well as the bonded debt and other long-term obligations of the District resulting in total net position.

Over time, increases or decreases in the District's net position is one indicator of whether its financial position is improving or deteriorating. To assess the District's overall financial health, one should consider additional factors which may include the State's and/or region's economic condition, changes in the District's property tax base, and age and condition of its capital assets.

Fund Financial Statements

For the most part, the fund financial statements are comparable to financial statements for the previous fiscal year. The fund level statements are reported on a modified accrual basis in that only those assets that are deemed "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 formats of the fund statements comply with requirements of the Michigan Department of Education's "Accounting Manual". In the state of Michigan, school districts' major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in various other funds categorized as Special Revenue, Debt Service, and Capital Projects Funds.

In the fund financial statements, capital assets purchased are considered expenditures in the year of acquisition with no asset being reported. The issuance of debt is treated 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 service are not recorded in the fund financial statements.

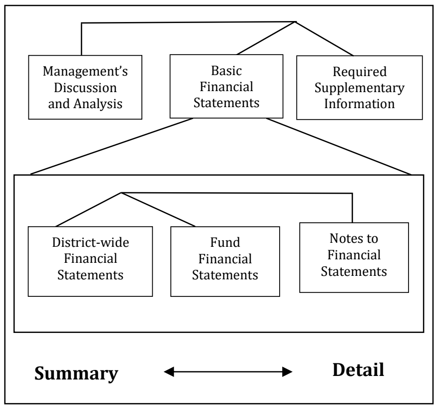
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of Kentwood Public Schools' Annual Financial Report



FUND FINANCIAL STATEMENTS

The fund financial statements are reported on a modified accrual basis and consist of governmental funds. Governmental funds include most of the District's basic services which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending on future District programs. Some of these funds are established by State law and by bond covenants while others can be established for the District to control and manage money for a particular purpose such as school lunch and student/school activities.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position - The District's combined net deficit improved as of June 30, 2024 as compared to the previous year ended June 30, 2023.

Net Position

	2024	2023
ASSETS		
Current assets	$ 108,874,654	$ 129,987,725
Net other postemployment benefits asset	3,646,460	-
Capital assets	236,564,993	205,437,038
TOTAL ASSETS	349,086,107	335,424,763
DEFERRED OUTFLOWS OF RESOURCES	76,621,353	93,357,060
LIABILITIES		
Non-current liabilities	156,472,288	160,683,319
Net pension liability	204,491,898	236,028,964
Net other postemployment benefits liability	-	13,202,087
Other liabilities	35,175,988	27,467,338
TOTAL LIABILITIES	396,140,174	437,381,708
DEFERRED INFLOWS OF RESOURCES	63,757,515	46,486,811
NET POSITION		
Net investment in capital assets	131,072,394	121,820,919
Restricted for net other postemployment benefits	3,646,460	-
Restricted for capital projects (sinking fund)	685,273	2,032,006
Unrestricted	(169,594,356)	(178,939,621)
TOTAL NET POSITION	$ (34,190,229)	$ (55,086,696)

The District's combined net position at the beginning of the fiscal year was ($55,086,696) and on June 30, 2024 it is ($34,190,229) which represents an improvement of $20,896,467 as recorded in the statement of activities.

Changes in Net Position

	2024	2023
REVENUES		
Program revenues		
Charges for services	$ 611,680	$ 835,690
Operating grants and contributions	73,488,052	51,459,466
General revenues		
Property taxes	38,560,561	35,473,310
Investment earnings	4,565,280	1,312,485
State sources	66,744,705	62,290,604
Interdistrict sources	15,483,863	16,533,561
Gain on disposal of capital assets	-	81,421
Other	547,322	867,432
TOTAL REVENUES	200,001,463	168,853,969
EXPENSES		
Instruction	81,247,324	81,775,816
Support services	61,528,843	59,059,796
Community services	5,829,181	838,627
Athletics	3,830,603	2,954,927
Food services	8,611,913	8,348,243
Student / school activities	771,479	889,575
Unallocated depreciation/amortization	9,516,226	8,773,179
Loss on disposal of capital assets	525,765	-
Interest on long-term debt	7,243,662	3,512,777
TOTAL EXPENSES	179,104,996	166,152,940
Change in net position	$ 20,896,467	$ 2,701,029

STATE OF MICHIGAN UNRESTRICTED AID (State Foundation Grant)

The State of Michigan aid, unrestricted, is determined with the following variables:

a. The Michigan State Aid Act per student foundation allowance which was established under Proposal A has increased from $4,200 per student in 1995 to $9,608 per student in 2023-2024. The per student State foundation allowance increased $458 as compared to the prior year.

b. The District's non-personal residence exempt levy for 2023-2024 was 18.0000 mills.

Student enrollment increased from 9,271 in 2022-2023 to 9,330 in 2023-2024. For the subsequent school year, it is hopeful that enrollment will remain consistent with 2023-2024.

GOVERNMENTAL FUNDS

Results of Operations

For the fiscal years ended June 30, 2024 and 2023, the total fund-level results of operations were:

	2024	2023
REVENUES		
Local sources	$ 45,249,695	$ 39,515,268
State sources	109,820,220	95,710,199
Federal sources	25,155,532	24,051,352
Interdistrict sources	15,483,863	16,533,561
TOTAL REVENUES	$ 195,709,310	$ 175,810,380
EXPENDITURES		
Current		
Instruction	$ 87,094,977	$ 83,493,165
Supporting services	73,080,102	61,813,752
Food service activities	8,713,515	7,106,303
Student / school activities	771,479	889,575
Community service activities	767,264	876,246
Capital outlays	37,604,701	30,431,157
Payments to other governments	5,102,150	-
Debt service		
Principal	4,615,000	8,000,000
Interest	6,716,872	3,424,460
Other	3,498	609,400
TOTAL EXPENDITURES	$ 224,469,558	$ 196,644,058

The following summarizes the revenues and expenses by comparing fiscal year 2024 to 2023 as shown in the previous results of operations.

- State sources increased due to increases in the foundation allowance on a per pupil basis as well as various new categorical grant funding sources.
- Federal sources increased due to additional funding received from the education stabilization fund grants.
- Expenses increased from approximately $196.6 million in 2023 to $224.5 million in 2024, an increase of approximately $27.8 million. The increase is due to additional funds spent on capital expenditures in the various capital projects funds as well as increases in instruction and supporting services.

GENERAL FUND AND BUDGET HIGHLIGHTS

Original vs. Final Budget

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. The original 2023-2024 budget was approved in June 2023.

The 2023-2024 budget was revised twice during the fiscal year and approved by the Board of Education in February and June 2024. The final budget revision anticipated higher revenues and higher expenditures than was expected in June 2023 when the original budget was approved. The increase in revenues was a result of receiving significantly more state funding than anticipated. The increase in expenditures was the result of capital outlay purchases and added operational costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2024, the District had invested $378.7 million in a broad range of capital assets as shown below:

Capital Assets

	2024			2023
	Cost	Accumulated Depreciation/ Amortization	Net Book Value	Net Book Value
Land	$ 3,499,206	$ -	$ 3,499,206	$ 3,499,206
Construction in progress	55,278,588	-	55,278,588	24,122,286
Building and improvements	283,256,692	121,022,761	162,233,931	163,171,034
Machinery, furniture, and equipment	30,167,824	17,320,263	12,847,561	12,466,828
Right to use - subsription-based IT	1,352,421	434,594	917,827	663,614
Vehicles	5,198,018	3,410,138	1,787,880	1,514,070
Total	$ 378,752,749	$ 142,187,756	$ 236,564,993	$ 205,437,038

LONG-TERM OBLIGATIONS

At year-end, the District had $155.5 million in long-term obligations, an approximately $5.2 million decrease when compared to the prior year. The District paid down its outstanding bonds with principal payments and premium amortization of $5.2 million. Compensated absences also declined as compared to the prior year by approximately $56,000.

Outstanding Long-Term Obligations

	2024	2023
General obligation bonds - net	$ 153,846,548	$ 159,008,656
Compensated absences	1,618,935	1,674,663
	$ 155,465,483	$ 160,683,319

FACTORS BEARING ON THE DISTRICT'S FUTURE

There are several factors that could significantly affect the financial health of the District in the future.

The fluctuations in student foundation funding levels, along with funding for various K-12 education programs, are a direct reflection of the economic challenges encountered by both the State of Michigan and the District. A critical determinant of the District's financial health is the student enrollment count. The General Fund, which serves as a primary source of revenue for the District, relies on the State's per-pupil allowance, supplemented by State aid and property taxes. It is important to note that, in accordance with State law, the District is prohibited from levying additional property tax revenue for general operational purposes.

In response to the expiration of federal COVID-19 relief funds in September 2024, Kentwood Public Schools will need to carefully manage its resources. These funds, which have been used for technology, safety enhancements, and addressing learning loss, will no longer be available, meaning the District must rely on its regular revenue streams to support these and other programs moving forward.

The District is projected to face a budget deficit for the 2024-25 fiscal year, driven by the expiration of one-time funds and increased operational costs. However, the District has accumulated reserves over the past six years, which will be used to help cover the shortfall while maintaining services and programs. While these reserves provide short-term relief, the District will continue to focus on balancing its budget for the long term, ensuring that it can sustain critical programs and services without relying heavily on one-time funds.

In May 2021, the voters approved a $192 million bond proposal aimed at advancing excellence and innovation in our educational programs, enhancing educational technology and security, and ensuring student and staff health and wellness. Subsequently, more than $58.2 million has already been allocated towards these significant projects. The remaining funds are earmarked for gradual expenditure through 2031, strategically addressing the continued needs of the District while sustaining our commitment to educational enhancement and safety. Kentwood Public Schools remains dedicated to sound financial management while strategically advancing its goals for educational excellence. The financial landscape is marked by both opportunities and challenges, including the uncertainty of student foundation funding levels, the impending fiscal cliff of expiring federal funds, and the ongoing capital needs of the District.

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

As part of our commitment to financial responsibility and alignment with our strategic goal plans, which include fostering a culture of excellence, providing equitable opportunities and outcomes, creating whole-child environments, and cultivating high-impact diverse staff, we diligently maintain a minimum fund balance of 10% of total expenses. This ensures the long-term stability of our educational programs and supports our vision for a thriving educational community.

We deeply appreciate the continued support of our staff, board members, and the community as we navigate these financial complexities to achieve our educational mission and strategic goals.

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 revenues it receives. If you have any questions about this report or need any additional information, please contact Todd Bell, Executive Director of Finance and Business Operations, in the Administration Office, Kentwood Public Schools, 5820 Eastern Ave., Kentwood, Michigan, phone number 616-455-4400.

BASIC FINANCIAL STATEMENTS

KENTWOOD PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 3,983,869
Investments	16,299,436
Receivables	
Accounts receivable	1,290,631
Intergovernmental	26,116,712
Prepaids	373,296
Inventories	553,108
Restricted cash and cash equivalents - capital projects	2,456,819
Restricted investments - capital projects	57,800,783
Net other postemployment benefits asset	3,646,460
Capital assets not being depreciated/amortized	58,777,794
Capital assets, net of accumulated depreciation/amortization	177,787,199
TOTAL ASSETS	349,086,107
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	61,860,148
Related to other postemployment benefits	14,761,205
TOTAL DEFERRED OUTFLOWS OF RESOURCES	76,621,353
LIABILITIES	
Accounts payable	13,451,483
Due to other governmental units	1,208,854
Accrued salaries and related items	6,504,282
Accrued retirement	4,995,292
Unearned revenue	7,880,806
Accrued interest	1,135,271
Noncurrent liabilities	
Arbitrage liability	1,006,805
Due within one year	5,221,894
Due in more than one year	150,243,589
Net pension liability	204,491,898
TOTAL LIABILITIES	396,140,174
DEFERRED INFLOWS OF RESOURCES	
Related to unavailable revenue - leases	1,261,923
Related to pensions	20,681,972
Related to other postemployment benefits	28,956,625
Related to state aid funding for pension	12,856,995
TOTAL DEFERRED INFLOWS OF RESOURCES	63,757,515
NET POSITION	
Net investment in capital assets	131,072,394
Restricted for net other postemployment benefits	3,646,460
Restricted for capital projects (sinking fund)	685,273
Unrestricted	(169,594,356)
TOTAL NET POSITION	$ (34,190,229)

See notes to financial statements.

KENTWOOD PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

		Program Revenues		Governmental Activities
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	$ 81,247,324	$ 225,346	$ 59,802,099	$ (21,219,879)
Support services	61,528,843	-	3,441,199	(58,087,644)
Community services	5,829,181	12,616	-	(5,816,565)
Athletics	3,830,603	249,666	-	(3,580,937)
Food services	8,611,913	124,052	9,198,626	710,765
Student / school activities	771,479	-	1,046,128	274,649
Unallocated depreciation/amortization	9,516,226	-	-	(9,516,226)
Loss on disposal of capital assets	525,765	-	-	(525,765)
Interest on long-term debt	7,243,662	-	-	(7,243,662)
Total governmental activities	$ 179,104,996	$ 611,680	$ 73,488,052	(105,005,264)
General revenues				
Property taxes, levied for general purposes				23,550,012
Property taxes, levied for debt service				10,787,296
Property taxes, levied for capital projects (sinking fund)				4,223,253
Investment earnings				4,565,280
State sources				66,744,705
Intermediate sources				15,483,863
Other				547,322
Total general revenues				125,901,731
CHANGE IN NET POSITION				20,896,467
NET POSITION, beginning of year				(55,086,696)
NET POSITION, end of year				$ (34,190,229)

See notes to financial statements.

KENTWOOD PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	2023 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,336,548	$ -	$ 1,647,321	$ 3,983,869
Investments	12,390,375	-	3,909,061	16,299,436
Receivables				
Accounts receivable	1,285,631	-	5,000	1,290,631
Intergovernmental	25,257,450	-	859,262	26,116,712
Due from other funds	2,079,788	-	19,116	2,098,904
Prepaids	244,256	-	129,040	373,296
Inventories	523,818	-	29,290	553,108
Restricted cash and cash equivalents - capital projects	-	1,619,595	837,224	2,456,819
Restricted investments - capital projects	-	57,800,783	-	57,800,783
TOTAL ASSETS	$ 44,117,866	$ 59,420,378	$ 7,435,314	$ 110,973,558
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 3,419,833	$ 9,906,082	$ 125,568	$ 13,451,483
Due to other governmental units	1,208,854	-	-	1,208,854
Due to other funds	-	1,160,347	938,557	2,098,904
Accrued salaries and related items	6,462,195	-	42,087	6,504,282
Accrued retirement	4,981,772	-	13,520	4,995,292
Unearned revenue	7,880,806	-	-	7,880,806
TOTAL LIABILITIES	23,953,460	11,066,429	1,119,732	36,139,621
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - leases	1,261,923	-	-	1,261,923
FUND BALANCES				
Nonspendable				
Prepaids	244,256	-	129,040	373,296
Inventory	523,818	-	29,290	553,108
Restricted for:				
Debt service	-	-	889,285	889,285
Food service	-	-	3,905,025	3,905,025
Capital projects	-	48,353,949	556,233	48,910,182

See notes to financial statements.

	General Fund	2023 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (continued)				
FUND BALANCES (continued)				
Committed - student/school activities	$ -	$ -	$ 806,709	$ 806,709
Assigned - budgeted use of fund balance	4,956,800	-	-	4,956,800
Unassigned	13,177,609	-	-	13,177,609
TOTAL FUND BALANCES	18,902,483	48,353,949	6,315,582	73,572,014
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 44,117,866	$ 59,420,378	$ 7,435,314	$ 110,973,558

Total governmental fund balances		$ 73,572,014
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows of resources - related to pensions		61,860,148
Deferred inflows of resources - related to pensions		(20,681,972)
Deferred outflows of resources - related to other postemployment benefits		14,761,205
Deferred inflows of resources - related to other postemployment benefits		(28,956,625)
Deferred inflows of resources - related to state aid funding for pensions		(12,856,995)
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		3,646,460
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
The cost of capital assets is	$ 378,752,749	
Accumulated depreciation/amortization is	(142,187,756)	
		236,564,993
Long-term liabilities are not due and payable in the current period and are not reported in the funds:		
General obligation bonds		(153,846,548)
Compensated absences		(1,618,935)
Accrued interest		(1,135,271)
Arbitrage liability		(1,006,805)
Net pension liability		(204,491,898)
Net position of governmental activities		$ (34,190,229)

See notes to financial statements.

KENTWOOD PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	2023 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Local sources	$ 25,330,887	$ 3,399,082	$ 16,519,726	$ 45,249,695
State sources	107,730,571	-	2,089,649	109,820,220
Federal sources	17,205,996	-	7,949,536	25,155,532
Interdistrict sources	15,483,863	-	-	15,483,863
TOTAL REVENUES	165,751,317	3,399,082	26,558,911	195,709,310
EXPENDITURES				
Current				
Instruction	87,094,977	-	-	87,094,977
Supporting services	73,080,102	-	-	73,080,102
Community service activities	767,264	-	-	767,264
Food service activities	-	-	8,713,515	8,713,515
Student/school activities	-	-	771,479	771,479

See notes to financial statements.

	General Fund	2023 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
EXPENDITURES (continued)				
Capital outlay	$ 1,144,240	$ 30,437,670	$ 6,022,791	$ 37,604,701
Payments to other governments	5,102,150	-	-	5,102,150
Debt service				
Principal repayment	-	-	4,615,000	4,615,000
Interest	-	-	6,716,872	6,716,872
Other	-	-	3,498	3,498
TOTAL EXPENDITURES	167,188,733	30,437,670	26,843,155	224,469,558
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,437,416)	(27,038,588)	(284,244)	(28,760,248)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	115,343	-	-	115,343
Transfers in	636,000	-	-	636,000
Transfers out	-	-	(636,000)	(636,000)
TOTAL OTHER FINANCING SOURCES (USES)	751,343	-	(636,000)	115,343
NET CHANGE IN FUND BALANCES	(686,073)	(27,038,588)	(920,244)	(28,644,905)
FUND BALANCES				
Beginning of year	19,588,556	75,392,537	7,235,826	102,216,919
End of year	$ 18,902,483	$ 48,353,949	$ 6,315,582	$ 73,572,014

See notes to financial statements.

KENTWOOD 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

Net change in fund balances total governmental funds	$ (28,644,905)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities, these costs are allocated over their estimated useful lives as depreciation/amortization:	
Depreciation/amortization expense	(9,516,226)
Capital outlay	41,285,289
Net book value of assets disposed	(641,108)
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable, beginning of the year	1,068,178
Accrued interest payable, end of the year	(1,135,271)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences is the treatment of long-term debt and related items and are as follows:	
Payments on bonded debt	4,615,000
Arbitrage liability	(1,006,805)
Amortization of bond premium	547,108
Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences, beginning of the year	1,674,663
Accrued compensated absences, end of the year	(1,618,935)
Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Pension related items	(1,085,454)
Other postemployment benefits related items	11,144,056
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:	
Change in state aid funding for pension	4,210,877
Change in net position of governmental activities	$ 20,896,467

See notes to financial statements.

KENTWOOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. All fiduciary activities, if any, are reported only in the fund financial statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

Reporting Entity

The Kentwood Public Schools (the "District") is governed by the Kentwood Public Schools Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards Board (GASB) Statements.

Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following *Major Governmental Funds*:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *2023 Bonded Construction Capital Projects Fund* is used to account for capital projects activities funded with bonds. For this capital project, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code. The projects are not yet considered substantially complete, and a subsequent year audit is expected.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

Major Governmental Funds (continued):

Beginning with the year of bond issuance, the school district has reported the annual construction activity for the bonds in the 2023 Capital Projects Funds. The projects for which the 2023 School Building and Site Bonds, Series II were issued were in process as of June 30, 2024. The cumulative revenues, other financing sources (uses), and expenditures recognized for the construction period were as follows:

	2023 Capital Projects Fund
Revenues and other financing sources	$ 86,474,883
Expenditures and other financing uses	$ 38,120,934

The District reports the following *Other Nonmajor Funds*:

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service and student/school activities as special revenue funds.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long term general obligation debt of governmental funds.

The *Capital Projects Sinking Fund* accounts for the receipt of property taxes levied for sinking fund and subsequent expenditures of those funds. The fund has complied with the applicable provisions of Section 1212 of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2023-1.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

The 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.

The 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 when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are generally collected within 60 days of the end of the current fiscal period. Expenditures generally 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. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, state and federal aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the current year ended, the foundation allowance was based on pupil membership counts.

The state portion of the Foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the Foundation is funded primarily by Non-PRE property taxes which may be levied at a rate of up to 18 mills as well as 6 mills for Commercial Personal Property Tax. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as intergovernmental receivable.

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

All other revenue items are generally considered to be measurable and available only when cash is received by the District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. Other funds do not have appropriated budgets.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The District does not utilize encumbrance accounting.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

a. The Administration submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.

b. Public hearings are conducted to obtain taxpayer comments.

c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. 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.

d. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.

e. The budget was amended once during the fiscal year. Although the district does consider the amendment to be significant, it was deemed necessary due to circumstances that were not reasonably expected at the time the original budget was adopted.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

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 valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Capital Assets

Capital assets, which include land, construction in progress, building and improvements, machinery, furniture, and equipment, vehicles, and right to use assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Group purchases are evaluated on a case-by-case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress, if any, are not depreciated. 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 lives. The other capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Building and improvements	20 - 50 years
Machinery, furniture, and equipment	5 - 15 years
Right to use - subsription-based IT	2 - 7 years
Vehicles	5 - 15 years

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 two items that qualify for reporting in this category. They are the pension and other postemployment benefits related items reported in the government-wide statement of net position. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

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 four 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 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. The District also reports unavailable revenues from one source: leases. These amounts are long-term leases entered into by the District in which the District is the lessor. These amounts are recognized as revenue over the term of the lease agreements.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action remains in place until a similar action is taken (the adoption of another board action) to remove or revise the limitation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Fund Balance Policies (continued)

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Leases - Lessor

The District is a lessor for various noncancelable leases. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the District determines (1) the discount rate is uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Subscription-based IT Arrangements (SBITA)

Subscriber: The District is a subscriber under noncancelable subscription arrangements for information technology. The District recognizes SBITA liabilities and intangible right-to-use SBITA assets in the government-wide 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.

KENTWOOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Subscription-based IT Arrangements (SBITA) (continued)

Key estimates and judgements related to leases 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 the 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. As of the year ended June 30, 2024, all of the SBITA agreements were prepaid and, as a result, a corresponding SBITA liability is not reported.

Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary and related benefits, where applicable.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method over the term of the related debt. Bond issuance costs are reported as expenditures in the year in which they are incurred.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, unrestricted state aid, interest, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. Approximately half of the taxes are levied and become a lien as of July 1, and the remaining taxes are levied and become a lien on December 1. These taxes are due September 14 and February 14, respectively, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

For the year ended June 30, 2024, the District levied the following amounts per $1,000 of assessed valuation:

Fund	Mills
General Fund	
Non-Principal Residence Exemption (PRE)	18.0000
Commercial Personal Property (CPP)	6.0000
Debt Service Fund	
PRE, Industrial Personal Property, Non-PRE, CPP	4.0000
Capital Projects Sinking Fund	
PRE, Industrial Personal Property, Non-PRE, CPP	1.5718

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2024 the District had deposits subject to the following risks:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2024, $7,714,699 of the District's bank balance of $8,022,462 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was $6,440,688.

Custodial Credit Risk - 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.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk - Investments (continued)

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.

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.

Investment Type	Fair Value	Weighted Average Maturity
MILAF External Investment Pool - CMC	$ 90,542	N/A
MILAF External Investment Pool - MAX	20,838,479	N/A
Supra-National Agency Bonds	6,316,129	0.5589
U.S. Treasury Notes	46,855,069	0.6652
Total fair value	$ 74,100,219	
Portfolio weighted average maturity		0.6526

One day maturity equals 0.0027, one year equals 1.00.

Concentration of Credit Risk

The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. 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.

Investment Type	Fair Value	Rating	Rating Agency
MILAF External Investment Pool - CMC	$ 90,542	AAAm	Standard & Poor's
MILAF External Investment Pool - MAX	20,838,479	AAAm	Standard & Poor's
U.S. Treasury notes	46,855,069	AA+	Standard & Poor's
Supra-National Agency Bonds	6,316,129	AAA	Fitch
Total fair value	$ 74,100,219		

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Foreign Currency Risk

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

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.

	Level 1	Level 2	Level 3	Balance at June 30, 2024
Investments by fair value level				
U.S. Treasury Notes	$ 46,855,069	$ -	$ -	$ 46,855,069
Supra-National Agency Bonds	-	6,316,129	-	6,316,129
Total	$ 46,855,069	$ 6,316,129	$ -	$ 53,171,198

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 voluntarily invests certain excess funds in an external pooled investment fund which included money market funds. The pooled investment fund utilized by the District is the Michigan Investment Liquid Asset Fund (MILAF). MILAF 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.

Investment Type	Amortized Cost
MILAF External Investment Pool - CMC	$ 90,542
MILAF External Investment Pool - MAX	20,838,479
	$ 20,929,021

KENTWOOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the financial statements, based upon criteria disclosed in Note 1. The following summarizes the categorization of these amounts as of June 30, 2024:

	Primary Government
Cash and cash equivalents	$ 3,983,869
Investments	16,299,436
Restricted cash and cash equivalents - capital projects	2,456,819
Restricted investments - capital projects	57,800,783
	$ 80,540,907

NOTE 3 - INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at June 30, 2024 consist of the following:

	Government-wide
State aid	$ 20,551,756
Federal revenue	5,118,670
Interdistrict	431,577
Other	14,709
	$ 26,116,712

No allowance for doubtful accounts is considered necessary based on previous experience.

NOTE 4 - CAPITAL ASSETS

A summary of changes in the District's capital assets follows:

	Balance July 1, 2023	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2024
Assets not being depreciated/amortized				
Land	$ 3,499,206	$ -	$ -	$ 3,499,206
Construction in progress	24,122,286	33,153,955	1,997,653	55,278,588
Subtotal	27,621,492	33,153,955	1,997,653	58,777,794
Other capital assets				
Building and improvements	278,351,520	6,594,281	1,689,109	283,256,692
Machinery, furniture, and equipment	28,532,432	2,251,998	616,606	30,167,824
Right to use - subsription-based IT	828,521	523,900	-	1,352,421
Vehicles	4,439,210	758,808	-	5,198,018
Subtotal	312,151,683	10,128,987	2,305,715	319,974,955
Accumulated depreciation/amortization				
Building and improvements	115,180,486	7,031,490	1,189,215	121,022,761
Machinery, furniture, and equipment	16,065,604	1,730,051	475,392	17,320,263
Right to use - subsription-based IT	164,907	269,687	-	434,594
Vehicles	2,925,140	484,998	-	3,410,138
Total accumulated depreciation/amortization	134,336,137	9,516,226	1,664,607	142,187,756
Net capital assets being depreciated/amortized	177,815,546	612,761	641,108	177,787,199
Net governmental capital assets	$ 205,437,038	$ 33,766,716	$ 2,638,761	$ 236,564,993

Depreciation/amortization for the fiscal year ended June 30, 2024 amounted to $9,516,226. The District determined that it was impractical to allocate depreciation/amortization to the various activities as the assets serve multiple functions.

NOTE 5 - LONG-TERM OBLIGATIONS

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

	General Obligation Bonds	Compensated Absences	Total
Balance July 1, 2023	$ 159,008,656	$ 1,674,663	$ 160,683,319
Additions	-	-	-
Deletions	(5,162,108)	(55,728)	(5,217,836)
Balance June 30, 2024	153,846,548	1,618,935	155,465,483
Due within one year	(5,060,000)	(161,894)	(5,221,894)
Due in more than one year	$ 148,786,548	$ 1,457,041	$ 150,243,589

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

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

General Obligation Bonds	
2016 School Building and Site bonds due in annual installments of $1,200,000 to $1,205,000 through May 1, 2044, with interest rates of 5.00%.	$ 24,090,000
2019 School Building and Site bonds due in annual installments of $1,055,000 to $1,450,000 through May 1, 2036, with interest rates ranging from 4.00% to 5.00%.	16,285,000
2020 School Building and Site bonds due in annual installments of $325,000 to $390,000 through May 1, 2044, with interest rates ranging from 3.00% to 4.00%.	7,585,000
2022 School Building and Site bonds due in annual installments of $350,000 to $1,695,000 through May 1, 2048, with interest rates ranging from 4.00% to 5.00%.	19,275,000
2023 School Building and Site bonds due in annual installments of $650,000 to $4,960,000 through May 1, 2053, with interest rates of 5.00%.	74,775,000
Plus issuance premium	11,836,548
Total general obligation bonds	153,846,548
Compensated absences	1,618,935
Total long-term obligations	$ 155,465,483

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

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

Year Ending June 30,	General Obligation Bonds Principal	General Obligation Bonds Interest	Compensated Absences	Total
2025	$ 5,060,000	$ 6,811,626	$ -	$ 11,871,626
2026	5,630,000	6,577,426	-	12,207,426
2027	3,160,000	6,315,876	-	9,475,876
2028	3,260,000	6,177,426	-	9,437,426
2029	3,310,000	6,034,976	-	9,344,976
2030 - 2034	18,490,000	27,825,230	-	46,315,230
2035 - 2039	22,360,000	23,010,480	-	45,370,480
2040 - 2044	29,785,000	17,095,330	-	46,880,330
2045 - 2049	31,115,000	9,416,778		40,531,778
2050 - 2053	19,840,000	2,480,000	-	22,320,000
	142,010,000	111,745,148	-	253,755,148
Issuance premium	11,836,548	-	-	11,836,548
Compensated absences	-	-	1,618,935	1,618,935
	$ 153,846,548	$ 111,745,148	$ 1,618,935	$ 267,210,631

Interest expense (all funds) for the year ended June 30, 2024 was approximately $6,717,000.

NOTE 6 - 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 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.

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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.

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (continued)

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 they terminate public school employment.

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

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

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

Option 4 - Members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to 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.

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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 their 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.

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Regular Retirement (no reduction factor for age)(continued)

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.

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

The District's pension contributions for the year ended June 30, 2024 were equal to the required contribution total. Total pension contributions were approximately $28,104,000. Of the total pension contributions approximately $26,818,000 was contributed to fund the Defined Benefit Plan and approximately $1,286,000 was contributed to fund 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 contributions were approximately $6,414,000. Of the total OPEB contributions approximately $5,752,000 was contributed to fund the Defined Benefit Plan and approximately $662,000 was contributed to fund the Defined Contribution Plan.

KENTWOOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (continued)

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

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	0.63181%	0.62759%
Net Pension Liability for the District	$ 204,491,898	$ 236,028,964

For the year ended June 30, 2024, the District recognized pension expense of $27,903,643.

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
Net difference between projected and actual pension plan investment earnings	$ -	$ 4,184,566
Differences between expected and actual experience	6,455,185	313,249
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,934,743	207,441
Changes of assumptions	27,709,583	15,976,716
Reporting Unit's contributions subsequent to the measurement date	24,760,637	-
	$ 61,860,148	$ 20,681,972

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

$24,760,637, 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	Amount
2024	$ 6,018,732
2025	3,946,750
2026	9,303,288
2027	(2,851,231)

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

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	0.64459%	0.62331%
Net other postemployment benefits liability (asset) for the District	$ (3,646,460)	$ 13,202,087

For the year ended June 30, 2024, the District recognized OPEB benefit of $5,392,464.

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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
Net difference between projected and actual other postemployment benefits plan investment earnings	$ 11,118	$ -
Differences between expected and actual experience	-	27,554,525
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,684,259	424,581
Changes of assumptions	8,117,656	977,519
Reporting Unit's contributions subsequent to the measurement date	4,948,172	-
	$ 14,761,205	$ 28,956,625

$4,948,172, 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	Amount
2024	$ (6,096,995)
2025	(5,937,242)
2026	(2,292,804)
2027	(2,276,633)
2028	(1,688,515)
2029	(851,403)

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.

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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 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 electing two-person coverage are assumed to have coverage continuing after the retiree's death.

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

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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 rate 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.

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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	$ 276,267,955	$ 204,491,898	$ 144,735,735

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 Benefit		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	$ 3,780,285	$ (3,646,460)	$ (10,029,018)

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 Benefit		
	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	$ (10,044,932)	$ (3,646,460)	$ 3,278,784

Pension and OPEB Plan Fiduciary Net Position

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).

NOTE 7 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The School District has purchased commercial insurance for general liability, property and casualty and health and vision claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

The shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Interfund payable and receivable balances at June 30, 2024 are as follows:

Receivable Fund		Payable Fund	
General	$ 2,079,788	Sinking	$ 280,991
Student/School Activities	19,116	Food Service	575,627
		2023 Capital Projects	1,160,347
		Debt Service	81,939
	$ 2,098,904		$ 2,098,904

The outstanding balances between funds result 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.

NOTE 9 - TRANSFERS

During the year, the food service fund transferred $636,000 to the general fund for indirect cost reimbursement.

NOTE 10 - 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 government expects such amounts, if any, to be immaterial.

NOTE 11 - TAX ABATEMENTS

The District is required to disclose significant tax abatements as required by GASB Statement No. 77, *Tax Abatements*. For the year ended June 30, 2024, the District did not receive any significant reduced property tax revenues as a result of tax abatements from taxing authorities within its district boundaries. Additionally, there are no significant abatements made by the District.

NOTE 12 - LEASE RECEIVABLE

The District leases various pieces of land to third parties. These lease agreements are long-term and expire at various times from 2031 through 2038. Under the leases, the District will receive monthly payments ranging from $5,039 to $5,885. The District recognized $109,723 in lease revenue during the current fiscal year related to these leases. As of June 30, 2024, the District's receivable for lease payments was $1,261,923. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was $1,261,923.

NOTE 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 the 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;

KENTWOOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

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

KENTWOOD PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	$ 23,197,400	$ 25,537,100	$ 25,330,887	$ (206,213)
State sources	95,639,300	106,420,100	107,730,571	1,310,471
Interdistrict sources	15,508,200	14,899,157	15,483,863	584,706
Federal sources	18,791,700	17,653,100	17,205,996	(447,104)
TOTAL REVENUES	153,136,600	164,509,457	165,751,317	1,241,860
EXPENDITURES				
Current				
Instruction				
Basic programs	69,799,400	69,132,800	68,950,515	182,285
Added needs	18,400,500	18,925,700	18,144,462	781,238
Total instruction	88,199,900	88,058,500	87,094,977	963,523
Supporting services				
Pupil	11,396,400	9,811,300	11,788,185	(1,976,885)
Instructional staff	10,945,800	13,168,100	12,802,577	365,523
General administration	1,289,600	1,260,900	1,364,734	(103,834)
School administration	7,615,900	7,729,400	7,598,711	130,689
Business	31,065,300	35,750,300	35,695,292	55,008
Athletics	2,927,600	3,618,300	3,830,603	(212,303)
Total supporting services	65,240,600	71,338,300	73,080,102	(1,741,802)
Community services	943,300	879,600	767,264	112,336
Capital outlays	-	1,144,240	1,144,240	-
Payments to other governments	2,000,000	5,102,160	5,102,150	10
TOTAL EXPENDITURES	156,383,800	166,522,800	167,188,733	(665,933)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,247,200)	(2,013,343)	(1,437,416)	575,927
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	115,343	115,343	-
Transfers in	-	636,000	636,000	-
TOTAL OTHER FINANCING SOURCES (USES)	-	751,343	751,343	-
NET CHANGE IN FUND BALANCE	$ (3,247,200)	$ (1,262,000)	(686,073)	$ 575,927
FUND BALANCE				
Beginning of year			19,588,556	
End of year			$ 18,902,483	

KENTWOOD PUBLIC SCHOOLS
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' 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 (%)	0.63181%	0.62759%	0.62374%	0.61455%	0.60071%	0.58337%	0.57918%	0.57698%	0.56389%	0.54650%
Reporting Unit's proportionate share of net pension liability	$204,491,898	$236,028,964	$147,673,025	$211,103,638	$198,934,485	$175,372,314	$150,089,535	$143,952,353	$137,730,274	$120,373,886
Reporting Unit's covered-employee payroll	$ 65,049,166	$ 60,979,870	$ 56,263,627	$ 49,425,345	$ 50,766,669	$ 50,501,562	$ 49,217,270	$ 48,654,867	$ 48,444,603	$ 47,521,054
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	314.37%	387.06%	262.47%	427.12%	391.86%	347.26%	304.95%	295.86%	284.30%	253.31%
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%	63.01%	62.92%	66.20%

KENTWOOD PUBLIC SCHOOLS
SCHEDULE OF THE REPORTING UNIT'S PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED OF THE YEAR ENDED JUNE 30)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required pension contributions	$ 26,818,189	$ 28,719,978	$ 21,906,266	$ 18,146,028	$ 17,265,237	$ 15,810,822	$ 14,671,500	$ 13,202,172	$ 12,250,610	$ 10,372,633
Pension contributions in relation to statutorily required contributions	26,818,189	28,719,978	21,906,266	18,146,028	17,265,237	15,810,822	14,671,500	13,202,172	12,250,610	10,372,633
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll (pension)	$ 70,759,975	$ 66,463,168	$ 60,790,218	$ 58,041,595	$ 55,786,544	$ 52,470,643	$ 49,744,272	$ 48,654,867	$ 48,444,602	$ 48,065,957
Pension contributions as a percentage of covered-employee payroll	37.90%	43.21%	36.04%	31.26%	30.95%	30.13%	29.49%	27.13%	25.29%	21.58%

KENTWOOD PUBLIC SCHOOLS
SCHEDULE OF THE REPORTING UNIT'S
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY(ASSET)
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)

	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net other postemployment benefits liability/asset (%)	0.64459%	0.62331%	0.63276%	0.62445%	0.61416%	0.58954%	0.57900%
Reporting Unit's proportionate share of net other postemployment benefits liability (asset)	$ (3,646,460)	$ 13,202,087	$ 9,658,345	$ 33,453,337	$ 44,083,021	$ 46,862,066	$ 51,273,277
Reporting Unit's covered-employee payroll	$ 65,049,166	$ 60,979,870	$ 56,263,627	$ 49,425,345	$ 50,766,669	$ 50,501,562	$ 49,217,270
Reporting Unit's proportionate share of net other postemployment benefits liability/asset as a percentage of its covered-employee payroll	5.61%	21.65%	17.17%	67.68%	86.83%	92.79%	104.18%
Plan fiduciary net position as a percentage of total other postemployment benefits 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.

KENTWOOD PUBLIC SCHOOLS
SCHEDULE OF THE REPORTING UNIT'S OPEB CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED OF THE YEAR ENDED JUNE 30)

	2024	2023	2022	2021	2020	2019	2018
Statutorily required other postemployment benefits contributions	$ 5,751,592	$ 5,162,911	$ 5,286,873	$ 4,582,592	$ 4,804,606	$ 4,432,249	$ 4,057,564
Other postemployment benefits contributions in relation to statutorily required contributions	5,751,592	5,162,911	5,286,873	4,582,592	4,804,606	4,432,249	4,057,564
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll (OPEB)	$ 70,759,975	$ 66,463,168	$ 60,790,218	$ 58,041,595	$ 55,786,544	$ 52,470,643	$ 49,744,272
Other post employment benefit contributions as a percentage of covered-employee payroll	8.13%	7.77%	8.70%	7.90%	8.61%	8.45%	8.16%

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.

KENTWOOD PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 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.

NOTE 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

Kentwood Public Schools
County of Kent
State of Michigan

We have acted as bond counsel in connection with the issuance by Kentwood 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 III (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;

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(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;

(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/IFK

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF
CONTINUING DISCLOSURE AGREEMENT

$___________
KENTWOOD PUBLIC SCHOOLS
COUNTY OF KENT
STATE OF MICHIGAN
2025 SCHOOL BUILDING AND SITE BONDS, SERIES III
(GENERAL OBLIGATION - UNLIMITED TAX)

This Continuing Disclosure Agreement (the "Agreement") is executed and delivered by Kentwood Public Schools, County of Kent, State of Michigan (the "Issuer"), in connection with the issuance of its $__________ 2025 School Building and Site Bonds, Series III (General Obligation - Unlimited Tax) (the "Bonds"). The Bonds are being issued pursuant to resolutions adopted by the Board of Education of the Issuer on April 21, 2025 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.

KENTWOOD 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:	Kentwood Public Schools, Kent County, Michigan
Name of Bond Issue:	2025 School Building and Site Bonds, Series III (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 _____________.

KENTWOOD 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:	Kentwood Public Schools, Kent County, Michigan
Name of Bond Issue:	2025 School Building and Site Bonds, Series III (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 _________________.

KENTWOOD 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.

KPS
KENTWOOD
PUBLIC SCHOOLS

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

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