

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 23, 2026

NEW ISSUE—Book-Entry-Only

RATING†*: Moody’s Investors Service A3

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.



\$24,180,000**
GODWIN HEIGHTS PUBLIC SCHOOLS
COUNTY OF KENT, STATE OF MICHIGAN
2026 SCHOOL BUILDING AND SITE BONDS, SERIES I
(GENERAL OBLIGATION - UNLIMITED TAX)

Dated: Date of Delivery

Due: May 1, as shown below

On November 4, 2025, the qualified electors of the Godwin Heights Public Schools, County of Kent, State of Michigan (the “School District”) approved the issuance of bonds in the amount not to exceed \$44,500,000 to be issued in one or more series. Proceeds of the 2026 School Building and Site Bonds, Series I (General Obligation – Unlimited Tax) (the “Bonds”) representing the first series of bonds issued pursuant to the 2025 authorization in the principal amount of \$24,180,000**, will be used for school building and site purposes. The Bonds were authorized by the Board of Education of the School District by resolutions adopted on December 8, 2025 and expected to be adopted on March __, 2026 (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 UMB Bank, N.A., 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 May 1 and November 1, commencing November 1, 2026 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\$: _____)

<u>Maturity**</u>	<u>Amount**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP\$</u>	<u>Maturity**</u>	<u>Amount**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP\$</u>
2029	\$100,000				2040	\$ 555,000			
2030	110,000				2041	1,595,000			
2031	220,000				2042	1,675,000			
2032	285,000				2043	1,760,000			
2033	335,000				2044	1,845,000			
2034	355,000				2045	1,940,000			
2035	380,000				2046	2,035,000			
2036	405,000				2047	2,140,000			
2037	435,000				2048	2,245,000			
2038	470,000				2049	2,360,000			
2039	505,000				2050	2,430,000			

THE BONDS OR PORTIONS OF THE BONDS MATURING ON OR AFTER MAY 1, 2037** ARE SUBJECT TO OPTIONAL REDEMPTION BEGINNING MAY 1, 2036**, IN THE MANNER AND AT THE TIMES DESCRIBED HEREIN. See “THE BONDS — Optional Redemption” herein.

The Bonds will be offered when, as and if issued by the School District and accepted by the Underwriters subject to the approving legal opinion of Thrun Law Firm, P.C., East Lansing, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Varnum LLP, Grand Rapids, Michigan. It is expected that the Bonds will be available for delivery through DTC on or about March __, 2026.

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.



Huntington Capital Markets

The date of this Official Statement is March __, 2026.

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

* As of date of delivery.

** Preliminary, subject to change.

§ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2026 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. The School District, the Underwriters and their agents and counsel assume no responsibility for the accuracy of such numbers.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary 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. As of this date, this Preliminary Official Statement has been deemed “final” by the School District for purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain information permitted by SEC Rule 15c2-12(b)(1).

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.

GODWIN HEIGHTS PUBLIC SCHOOLS
15 36th Street SW
Wyoming, Michigan 49548-2101
(616) 252-2090

BOARD OF EDUCATION

Allen E. Johnston, President
Lee Ann Platschorre, Vice President
Kenneth Hornecker, Treasurer
Colleen Anderson, Secretary
Kathryn Crow DeYoung, Trustee
David Drake, Trustee
Megan Erskine, Trustee

ADMINISTRATIVE STAFF

Chad Conklin, Superintendent of Schools
Matt Hickson, Assistant Superintendent of Finance & Operations

BOND COUNSEL

Thrun Law Firm, P.C.
East Lansing, Michigan

MUNICIPAL ADVISOR

PFM Financial Advisors LLC
Ann Arbor, Michigan

TABLE OF CONTENTS

	PAGE
INTRODUCTION	1
PURPOSE AND SECURITY	1
POTENTIAL FOR BOND INSURANCE.....	1
ESTIMATED SOURCES AND USES OF FUNDS	2
THE BONDS	2
Description and Form of the Bonds.....	2
Book-Entry-Only System	2
Transfer Outside Book-Entry-Only System	4
Optional Redemption.....	4
Notice of Redemption and Manner of Selection.....	4
TAX PROCEDURES	5
LEVY AND COLLECTION OF TAXES FOR PAYMENT OF THE BONDS AND BONDHOLDERS' REMEDIES	6
SOURCES OF SCHOOL OPERATING REVENUE	6
MICHIGAN PROPERTY TAX REFORM	7
LITIGATION.....	8
TAX MATTERS.....	8
State	8
Federal	8
Original Issue Premium	9
Original Issue Discount	9
Future Developments.....	9
APPROVAL OF LEGAL PROCEEDINGS.....	10
APPROVAL BY MICHIGAN DEPARTMENT OF TREASURY.....	10
RATING	10
UNDERWRITING	10
MUNICIPAL ADVISOR'S OBLIGATION.....	11
CONTINUING DISCLOSURE.....	11
OTHER MATTERS.....	12
APPENDIX A: General Financial, Economic and School Information	
APPENDIX B: General Fund Budget Summary and Comparative Financial Statements	
APPENDIX C: Audited Financial Statements and Notes to Financial Statements of the School District for the Fiscal Year Ended June 30, 2025	
APPENDIX D: Form of Approving Opinion	
APPENDIX E: Form of Continuing Disclosure Agreement	

**OFFICIAL STATEMENT
relating to**

\$24,180,000¹

**GODWIN HEIGHTS PUBLIC SCHOOLS
COUNTY OF KENT, STATE OF MICHIGAN
2026 SCHOOL BUILDING AND SITE BONDS, SERIES I
(GENERAL OBLIGATION – UNLIMITED TAX)**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices, is to furnish information in connection with the issuance and sale by Godwin Heights Public Schools, County of Kent, State of Michigan (the "School District") of its 2026 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax) (the "Bonds") in the principal amount of \$24,180,000¹.

PURPOSE AND SECURITY

On November 4, 2025, the qualified electors of the School District voted in favor of bonding the School District for the sum of not to exceed \$44,500,000 to be issued in one or more series. Proceeds of the Bonds in the principal amount of \$24,180,000¹, representing the first series of bonds issued pursuant to the 2025 authorization, are being issued for the purpose of partially remodeling, furnishing and refurnishing, and equipping and re-equipping school buildings; erecting, furnishing, and equipping an addition to the high school building; acquiring and installing instructional technology and instructional technology equipment for school buildings; purchasing school buses; and preparing, developing, acquiring, equipping, and improving playgrounds 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 December 8, 2025 and expected to be adopted on March __, 2026 (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
- Deposit to Debt Retirement Fund for Capitalized Interest
- Underwriters' Discount
- Costs of Issuance for the Bonds
- Total Uses

THE BONDS

Description and Form of the Bonds

The Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated as of, and bear interest from, the date of issuance. Interest on the Bonds shall be payable semiannually each May 1 and November 1 to maturity or early redemption, commencing November 1, 2026. 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 UMB Bank, N.A., 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 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 Redemption¹

The Bonds or portions of the Bonds in multiples of \$5,000 maturing on or after May 1, 2037¹, 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, 2036¹, at par plus accrued interest to the date fixed for redemption.

Notice of Redemption and Manner of Selection

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

¹ Preliminary, subject to change.

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

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

TAX PROCEDURES

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

On March 15, 1994, the electors of the State of Michigan 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 15 of 2025 ("PA 15"), the Legislature established a 2025/26 target foundation allowance of \$10,050 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 property¹, 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 properties² 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 0.8498 mill) to be levied through 2026, and approval for a 0.9 mill enhancement millage to be levied from 2027 to 2036, 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 \$346 per pupil from that millage in 2025/26. Furthermore, school districts whose per pupil foundation allowance in 2025/26 calculates to an amount in excess of \$10,050 are authorized to levy additional millage to obtain the

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.

foundation allowance, first by levying such amount of the 18 mills against homestead property¹ 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 2025/26 per pupil foundation allowance does not exceed \$10,050, 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 State School Aid Act subjects most state aid payable to school districts for that fiscal year to an automatic proration on a per pupil basis in an amount necessary to eliminate the portion of the overage attributable to the appropriation to all school districts. See "STATE AID PAYMENTS" in APPENDIX A.

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

PA 15 amended the State School Aid Act for the 2025/26 fiscal year, increasing the School District's foundation allowance to \$10,050 per pupil.

Pursuant to PA 15, 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 2024/25 fiscal year, see the School District's audited financial statements in APPENDIX C.

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

MICHIGAN PROPERTY TAX REFORM

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

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

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.

exemptions and tax abatements for technology parks, industrial facilities and enterprise zones that were to expire after 2012, until the voter approved personal property tax exemptions take effect.

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

LITIGATION

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

TAX MATTERS

State

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

Federal

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

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.

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 Premium¹

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 Discount¹

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.

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

¹ Preliminary, subject to change.

affect the market price or marketability of the Bonds, or otherwise prevent bondholders from realizing the full current benefit of the status of the interest thereon.

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

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

APPROVAL OF LEGAL PROCEEDINGS

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

Certain legal matters will be passed upon for the Underwriters by their counsel, 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 34, Public Acts of Michigan, 2001, as amended, for a municipality to be granted qualified status. The School District may therefore issue the Bonds without further approval from the Department of Treasury of the State of Michigan.

RATING

Moody's Investors Service ("Moody's") will assign, as of the date of delivery of the Bonds, its municipal bond rating of "A3" to the Bonds.

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

UNDERWRITING

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

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

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

MUNICIPAL ADVISOR'S OBLIGATION

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

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

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

CONTINUING DISCLOSURE

Prior to delivery of the Bonds, the School District will execute a Continuing Disclosure Agreement (the "Agreement") for the benefit of the holders of the Bonds and the Beneficial Owners (as hereinafter

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

GODWIN HEIGHTS PUBLIC SCHOOLS
COUNTY OF KENT
STATE OF MICHIGAN

By: _____
Its: Superintendent of Schools

APPENDIX A¹

GODWIN HEIGHTS PUBLIC SCHOOLS

GENERAL FINANCIAL, ECONOMIC AND SCHOOL INFORMATION

LOCATION AND AREA

Godwin Heights Public Schools (the "School District") occupies an area of 3.7 square miles in the southwest portion of Michigan's Lower Peninsula, encompassing portions of the City of Wyoming and the City of Grand Rapids in Kent County.

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

50	miles north of Kalamazoo
65	miles west of Lansing
130	miles northwest of Ann Arbor
155	miles northwest of Detroit

POPULATION

The U.S. Census reported and 2024 estimated populations for the School District, the City of Wyoming and the County of Kent are as follows:

	<u>School District</u>	<u>City of Wyoming</u>	<u>County of Kent</u>
2024 Estimate	13,548	77,353	663,150
2020 U.S. Census	12,251	76,501	657,974
2010 U.S. Census	11,968	72,125	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:

<u>School Year End 30-Jun</u>	<u>Full-time Equivalent</u>	<u>Change</u>	<u>School Year End 30-Jun</u>	<u>Full-time Equivalent</u>	<u>Change</u>
2026*	1,818	-5.85%	2021	2,005	-2.05%
2025	1,931	-2.08	2020	2,047	-0.73
2024	1,972	-0.35	2019	2,062	-5.06
2023	1,979	-1.10	2018	2,172	-1.54
2022	2,001	-0.20	2017	2,206	--

*Unaudited.

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

2025/2026 Fall Count*

Kindergarten	134	7 th	132
1 st	104	8 th	136
2 nd	134	9 th	131
3 rd	123	10 th	165
4 th	138	11 th	163
5 th	114	12 th	200
6 th	144	Total	<u>1,818</u>

*Unaudited.

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

SCHOOL DISTRICT FACILITIES

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

<u>Facility</u>	<u>Grades Served</u>	<u>Year Built</u>	<u>Last Remodel/Addition</u>	<u>Type of Construction</u>
<i>Elementary Schools:</i>				
North Godwin	3 - 5	1954	2019	Masonry
West Godwin	K - 2	1950	2018	Masonry
<i>Middle School:</i>				
Godwin	6 - 8	1937	2017	Masonry
<i>High School:</i>				
Godwin	9 - 12	1972	2017	Masonry
<i>Additional Facilities:</i>				
Administration Building	--	1963	2017	Masonry
Athletic Complex	--	1972	2021	Masonry
Godwin Learning Center	Alt. Ed.	1945	2015	Masonry
Maintenance/Storage	--	1939	--	Masonry
Early Childhood Center*	PK	1955	1977	Masonry

*A portion of this facility is being leased to Head Start and Kent ISD.

OTHER SCHOOLS

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

<u>Name of School</u>	<u>Grades Served</u>	<u>Approximate Enrollment</u>
Adams Christian	K - 9	238
AnchorPoint Christian	P - 6	72
Calvin Christian Elementary	P - 6	459
San Juan Diego Academy	K - 8	153
Holy Trinity Lutheran	P - 8	29
The Potter's House Elementary/Middle	P - 8	387
The Potter's House High	9 - 12	219
Tri-Unity Christian	P - 12	281
Vista Charter Academy	K - 8	644
		<u>2,482</u>

Source: 2026 Michigan Education Directory and Private School Review website via www.privateschoolreview.com

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 15 of 2025 set the target foundation allowance at \$10,050 for fiscal year 2025/2026.

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, 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
2026	\$10,050	\$22,763,657 ³	1,825.75 ³	\$12,468 ³
2025	9,608	24,031,276	1,930.72	12,447
2024	9,608	24,574,964	1,970.19	12,473
2023	9,150	22,798,674	1,977.76	11,528
2022	8,700	19,200,680	2,002.13	9,590
2021	8,529	18,346,607 ⁴	2,036.44	9,009 ⁴

¹Includes payments received for MPSERS UAAL rate stabilization. See "RETIREMENT PLAN - Contribution to MPSERS" herein.

²Represents the "Total State Aid Payments" divided by the "Blended Pupil Count".

³Preliminary estimate, subject to change.

⁴Public 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.

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

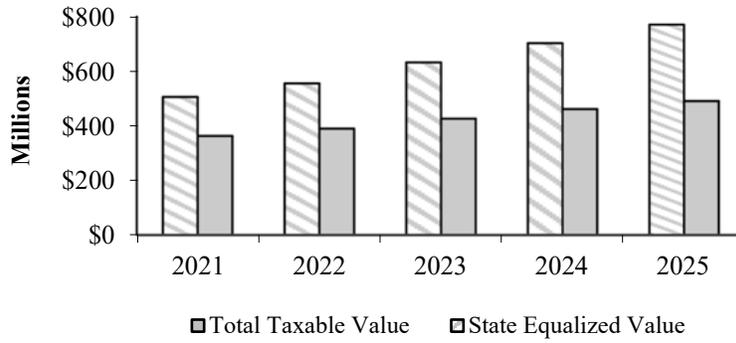
A history of the property valuations in the School District is shown below:

Year	Principal Residence ¹	Non- Principal Residence ¹	Total Taxable Value	Percent Change	State Equalized Value	Percent Change
2025	\$222,794,859	\$267,995,660	\$490,790,519	6.33%	\$771,085,500	9.64%
2024	207,351,260	254,208,599	461,559,859	8.25	703,309,400	11.17
2023	192,954,025	233,442,049	426,396,074	9.31	632,662,700	13.88
2022	183,468,554	206,615,041	390,083,595	7.44	555,575,000	9.81
2021	178,032,696	185,050,323	363,083,019	---	505,960,600	---

¹All 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 2025, industrial personal property had a taxable value of \$1,634,900 and commercial personal property had a taxable value of \$21,358,530 in the School District.

Source: Kent County Equalization Department

History of Valuations



Annual Equivalent Valuation

A summary of the 2025 valuation is as follows:

2025 Taxable Value	\$490,790,519
Plus: 2025 Equivalent IFT Taxable Value ¹	4,082,252
Total 2025 Equivalent Taxable Value	<u>\$494,872,771</u>
Less: 2025 Disabled Veterans Exemption Taxable Value ²	(903,388)
Net 2025 Annual Equivalent Valuation	<u><u>\$493,969,383</u></u>

¹See “INDUSTRIAL FACILITY TAX ABATEMENTS” herein.

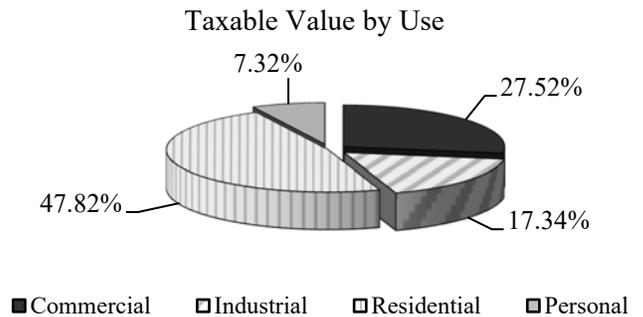
²Represents value which is exempt from taxes pursuant to Michigan’s General Property Tax Act Section 7b, MCL 211.7b, which states real property used and owned as a homestead by either (1) a disabled veteran who was discharged from the United States armed forces under honorable conditions or (2) the disabled 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 2025 Taxable Value by class and use is as follows:

	2025 Taxable Value	Percent of Total
By Class:		
Real Property	\$454,872,589	92.68%
Personal Property	35,917,930	7.32
TOTAL	<u>\$490,790,519</u>	<u>100.00%</u>
By Use:		
Commercial	135,051,194	27.52%
Industrial	85,116,461	17.34
Residential	234,704,934	47.82
Personal	35,917,930	7.32
TOTAL	<u>\$490,790,519</u>	<u>100.00%</u>



A breakdown of the School District’s 2025 Taxable Value by municipality is as follows:

Municipality	2025 Taxable Value	Percent of Total
City of Grand Rapids	\$43,687,990	8.90%
City of Wyoming	447,102,529	91.10
TOTAL	<u>\$490,790,519</u>	<u>100.00%</u>

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 2025 Taxable Value for the properties which have been granted IFT abatements within the School District’s boundaries is \$8,164,503, 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

TAX INCREMENT AUTHORITIES

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

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

There are a number of tax increment districts within the School District. However, the tax increment districts do not capture the School District’s debt millage.

Source: Kent County Equalization Department

MAJOR TAXPAYERS

Shown below are the ten largest taxpayers in the School District based on their 2025 total valuation subject to taxation.

Taxpayer	Product/Service	2025 Taxable Value	"Equivalent" IFT Value ¹	2025 Total Valuation
Grand Rapids Ind Properties LLC	Property Management	\$14,322,028	\$0	\$14,322,028
Kellanova LLC - dba Kellogg's	Food Manufacturing	11,089,187	0	11,089,187
ABC-Undercar Products Group	Plastic Fabrication Company	7,248,875	947,380	8,196,255
Consumers Energy	Utility	6,899,300	0	6,899,300
Benteler Automotive Group	Auto Parts & Accessories	5,253,505	545,777	5,799,282
Corewell Health	Healthcare	5,521,700	0	5,521,700
DTE Gas Company	Utility	4,955,900	0	4,955,900
Red River 4147 Eastern LLC	Property Management	3,754,180	0	3,754,180
Bluewater Corporate Center	Office Leasing	3,125,213	0	3,125,213
Paul Land	Residential	3,082,749	0	3,082,749
TOTALS		\$65,252,637	\$1,493,157	\$66,745,794
Total 2025 Values		\$490,790,519		\$494,872,771
Top 10 Taxpayers as a % of 2025 Total Values		13.30%		13.49%

¹Represents 50% of the actual Taxable Value.

Source: Kent County Equalization Department

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

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

	2025	2024	2023	2022	2021
Operating – Voted	18.0000	18.0000	18.0000	18.0000	18.0000
Debt	5.1200	5.1200	5.1200	5.1200	5.1200
Total Non-Principal Residence	23.1200	23.1200	23.1200	23.1200	23.1200
Total Principal Residence	5.1200	5.1200	5.1200	5.1200	5.1200

The School District levies voted operating millage on non-principal residence property and authorized debt millage on all taxable property within the School District. The voted operating millage expires with the 2027 levy.

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

The following table provides the 2025 and 2024 tax rates for select units of government that overlap with the School District's boundaries.

	2025	2024
State Education Tax	6.0000	6.0000
County of Kent	6.0037	6.0494
City of Grand Rapids	8.8583	8.9544
City of Wyoming	13.0826	13.1493
Kent ISD ¹	5.3515	5.4020
Grand Rapids Community College	1.6793	1.6951

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, and on November 4, 2025, the electors of Kent Intermediate School District approved a regional enhancement millage of 0.9 mill for a period of ten years, 2027-2036, inclusive. The School District expects to receive approximately \$684,930 in fiscal year 2025/26 from the regional enhancement millage based on its pupil membership count.
Source: Kent County Equalization Department and School District

TAX LEVIES AND COLLECTIONS

School District property taxes are due July 1 of each year in the City of Grand Rapids and are payable without interest on or before the following September 14, and without penalty on or before the following February 14. School District property taxes are due December 1 of each year in the City of Wyoming and are payable without interest or penalty on or before the following February 14. All real property taxes remaining unpaid on March 1st of the year following the levy are turned over to the County Treasurer for collection. Kent County (the "County") annually pays from its 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	
2025	\$4,897,983*	In Process of Collection		N/A	
2024	4,602,590	\$4,432,957	96.31%	\$4,597,948	99.90%
2023	4,255,605	4,105,163	96.46	4,250,103	99.87
2022	3,794,539	3,678,505	96.94	3,785,124	99.75
2021	3,406,100	3,317,869	97.41	3,374,138	99.06
2020	3,245,746	3,151,324	97.09	3,242,466	99.90

*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 ("MPERS"), 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.

MPERS 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 MPERS, including retiree health benefits, can be found at www.michigan.gov/orsschools.

Public Act 75 of 2010 ("Act 75") significantly modified MPERS 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 MPERS 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 MPERS

The School District's estimated annual contribution to MPERS for the 2025-26 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 MPERS Direct Offset Payments ²
2026 ¹	\$6,672,004	\$314,851	\$6,986,855	\$2,639,036
2025	6,477,674	305,681	6,783,355	2,116,062
2024	6,384,816	1,258,742	7,643,558	3,057,076
2023	5,286,354	1,153,403	6,439,757	3,937,051
2022	5,006,760	1,099,765	6,106,525	2,378,733

¹Estimated.

²Represents the amount the School District received in state aid categorical revenue (Section 147c MPERS UAAL Rate Stabilization and One-Time Deposits) to directly pay for a portion of the School District's MPERS 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, 2025 financial statements, the School District reported a proportionate share of the net pension liability of \$38,057,202 as of September 30, 2024.

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, 2025 financial statements, the School District reported a proportionate share of the net OPEB asset of \$6,722,127 as of September 30, 2024.

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:

<u>Employee Group</u>	<u>No. of Employees</u>	<u>Affiliation</u>	<u>Exp. Date of Contract</u>
Administrators	13	Non-Affiliated	N/A
Teachers	127	GHEA	08/31/26
Secretaries	13	Non-Affiliated	N/A
Maintenance	17	GHSSA	06/30/27
Transportation	7	GHSSA	06/30/27
Food Service	21	GHSSA	06/30/27
Aides	41	Non-Affiliated	N/A
Contracted Classified	29	Non-Affiliated	N/A
TOTAL	268		

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

DEBT STATEMENT* - (As of 02/23/26 – including the Bonds described herein)

DIRECT DEBT:

<u>Dated Date</u>	<u>Purpose</u>	<u>Bond Type</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
06/25/15	Building & Site	UTNQ	05/01/30	\$7,215,000
06/29/20	Building & Site	UTNQ	05/01/40	11,160,000
__/__/26	Building & Site, Series I	UTNQ	05/01/50	24,180,000*
NET DIRECT DEBT				<u>\$42,555,000*</u>

OVERLAPPING DEBT:

<u>Percent Share</u>	<u>Municipality</u>	<u>Net Debt</u>	<u>District's Share</u>
0.55%	City of Grand Rapids	\$327,280,000	\$1,800,040
14.21	City of Wyoming	0	0
1.36	County of Kent	58,454,544	794,982
1.31	Kent ISD	0	0
1.32	Grand Rapids Community College	16,175,000	213,510
TOTAL OVERLAPPING DEBT			<u>2,808,532</u>
NET DIRECT AND OVERLAPPING DEBT			<u><u>\$45,363,532*</u></u>

*Preliminary, subject to change.

Source: *Municipal Advisory Council of Michigan*

OTHER DEBT

The School District has no short-term borrowing outstanding.

DEBT HISTORY

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

FUTURE FINANCING

The School District does not have plans for any additional capital financings in the next 12 months. Following the issuance of the Bonds, described herein, the School District will have approximately \$20,320,000 of remaining voted authorization that is expected to be issued in one or more series over the next four years.

DEBT RATIOS*

Estimated School District Population	13,548
2025 Taxable Value	\$490,790,519
2025 State Equalized Value (SEV)	\$771,085,500
2025 True Cash Value (TCV)	\$1,542,171,000
Per Capita 2025 Taxable Value	\$36,226.05
Per Capita 2025 State Equalized Value	\$56,915.08
Per Capita 2025 True Cash Value	\$113,830.16
Per Capita Net Direct Debt	\$3,141.05
Per Capita Net Direct and Overlapping Debt	\$3,348.36
Percent of Net Direct Debt of 2025 Taxable Value	8.67%
Percent of Net Direct and Overlapping Debt of 2025 Taxable Value	9.24%
Percent of Net Direct Debt of 2025 SEV	5.52%
Percent of Net Direct and Overlapping Debt of 2025 SEV	5.88%
Percent of Net Direct Debt of 2025 TCV	2.76%
Percent of Net Direct and Overlapping Debt of 2025 TCV	2.94%

*Preliminary, subject to change.

LEGAL DEBT MARGIN* - (As of 02/23/26 – including the Bonds described herein)

2025 State Equalized Value		\$771,085,500
Legal Debt Limit - 15% of SEV		\$115,662,825
Total Bonded Debt Outstanding	\$42,555,000	
Less: SLRF Qualified Bonds ¹	<u>0</u>	
Net Amount Subject to Legal Debt Limit		<u>42,555,000</u>
LEGAL DEBT MARGIN AVAILABLE		<u><u>\$73,107,825</u></u>

*Preliminary, subject to change.

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

EMPLOYMENT CHARACTERISTICS

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

Employer	Product or Service	Approx. No. of Employees
<i>Within the School District</i>		
Hope Network	Healthcare	2,162
Benteler Automotive Corp.	Auto Parts & Accessories	600
ABC-Undercar Products Group	Plastic Fabrication Company	450
City of Wyoming	Government	345
Godwin Heights Public Schools	Education	268
SUSPA, Inc.	Gas Springs	200
Kellanova LLC-dba Kellogg's	Food Manufacturing	148
Corewell Health-Godwin Heights High School Health Center	Healthcare	20
<i>Within the County of Kent</i>		
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. (incl. Access Bus. & formerly Amway Corp.) (HQ)	Household Products	3,791
Farmers Insurance Group/Foremost	Direct Property & Casualty Insurance Carrier	3,500
Steelcase Inc. (part of HNI Corp.)	Office Furniture Mfg.	3,400
Lacks Enterprises, Inc. (HQ)	Automotive Trim & Wheel Trim Systems	3,000
Amazon Fulfillment Center	Ecommerce / Distribution Center	2,500
Hearthside Food Solutions, LLC (4 locations)	Cookies, Snacks & Cereal	2,124
County of Kent	Government	1,943
Gerald R. Ford International Airport ¹	Airport	1,900
Grand Rapids Public Schools	Education	1,882
Wolverine World Wide Inc. (HQ)	Work Apparel & Footwear	1,700
City of Grand Rapids	Government	1,557

¹In 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: 2025 Michigan Manufacturers Directory and individual employers.

EMPLOYMENT BREAKDOWN

The U.S. Census Bureau, 2020-2024 American Community Survey reports the occupational breakdown of persons 16 years and over for the City of Wyoming and the County of Kent as follows:

PERSONS BY OCCUPATION	City of Wyoming		County of Kent	
	Number	Percent	Number	Percent
	41,957	100.00%	346,230	100.00%
Management, Business, Science & Arts	13,162	31.37	150,814	43.55
Service	6,904	16.45	49,132	14.19
Sales & Office	9,197	21.92	67,132	19.39
Natural Resources, Construction & Maintenance	3,677	8.77	21,726	6.28
Production, Transportation & Material Moving	9,017	21.49	57,426	16.59

The U.S. Census Bureau, 2020-2024 American Community Survey reports the breakdown by industry for persons 16 years and over for the City of Wyoming and the County of Kent as follows:

PERSONS BY INDUSTRY	City of Wyoming		County of Kent	
	Number	Percent	Number	Percent
	41,957	100.00%	346,230	100.00%
Agriculture, Forestry, Fishing, Hunting & Mining	94	0.23	2,679	0.78
Construction	2,608	6.22	18,298	5.28
Manufacturing	9,367	22.32	62,218	17.97
Wholesale Trade	1,795	4.28	11,337	3.27
Retail Trade	4,722	11.24	38,228	11.04
Transportation, Warehousing & Utilities	1,711	4.08	14,952	4.32
Information	565	1.36	4,688	1.36
Finance, Insurance & Real Estate	1,845	4.40	20,250	5.85
Professional, Scientific & Management Services	4,523	10.77	40,629	11.73
Educational, Health & Social Services	8,718	20.77	82,500	23.83
Arts, Entertainment, Recreation & Food Services	3,335	7.95	27,206	7.86
Other Services except Public Administration	1,702	4.06	15,421	4.45
Public Administration	972	2.32	7,824	2.26

UNEMPLOYMENT

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

Annual Average	City of Wyoming	County of Kent	State of Michigan
December, 2025	3.8%	3.9%	4.8%
2024	3.9	3.9	4.7
2023	3.3	3.3	3.9
2022	3.4	3.5	4.2
2021	4.6	4.7	5.7

POPULATION BY AGE

The U.S. Census Bureau, 2020-2024 American Community Survey reports the breakdown of population by age for the City of Wyoming and the County of Kent as follows:

	City of Wyoming		County of Kent	
	Number	Percent	Number	Percent
Total Population	77,353	100.00%	663,150	100.00%
0 through 19 years	20,741	26.81	173,196	26.12
20 through 64 years	47,421	61.30	391,129	58.98
65 years and over	9,191	11.89	98,825	14.90
Median Age	34.0 years		35.9 years	

INCOME

The U.S. Census Bureau, 2020-2024 American Community Survey reports the breakdown of household income for the City of Wyoming and the County of Kent as follows:

	City of Wyoming		County of Kent	
	Number	Percent	Number	Percent
HOUSEHOLDS BY INCOME	29,417	100.00%	256,648	100.00%
Less than \$ 10,000	1,129	3.84	9,534	3.71
\$ 10,000 to \$ 14,999	708	2.41	7,598	2.97
\$ 15,000 to \$ 24,999	1,916	6.51	14,249	5.55
\$ 25,000 to \$ 34,999	1,717	5.84	14,697	5.73
\$ 35,000 to \$ 49,999	4,109	13.97	26,547	10.34
\$ 50,000 to \$ 74,999	5,499	18.68	43,505	16.95
\$ 75,000 to \$ 99,999	5,100	17.34	36,582	14.25
\$100,000 to \$149,999	5,458	18.55	49,849	19.42
\$150,000 to \$199,999	2,226	7.57	25,888	10.09
\$200,000 or MORE	1,555	5.29	28,199	10.99
Median Income	\$73,677		\$82,631	

APPENDIX B
GENERAL FUND BUDGET SUMMARY AND
COMPARATIVE FINANCIAL STATEMENTS

Godwin Heights Public Schools
General Fund Budget Summary

	As Adopted 2025/26
Revenues	
Local Sources	\$5,235,668
Athletics	15,000
State Sources	24,257,947
Federal Sources	1,979,902
Interdistrict Sources	4,629,185
Total Revenues	\$36,117,702
Expenditures	
Instructional Services	
Basic Program	\$16,164,341
Added Needs	5,752,815
Support	
Pupil	2,788,187
Instructional Staff	1,197,850
General Administration	692,283
School Administration	2,338,982
Business Services	512,424
Operation & Maintenance	3,808,251
Transportation	1,547,644
Central Services	866,627
Athletics	744,841
Community Services	269,761
Total Expenditures	\$36,684,006
Excess of Expenditures (over) under Revenues	(\$566,304)
Beginning Fund Balance - July 1	\$3,331,330
Projected Fund Balance - June 30	\$2,765,026

Source: School District

**Godwin Heights Public Schools
General Fund**

Comparative Balance Sheet

	For Fiscal Years Ended June 30th		
	2023	2024	2025
Assets			
Cash and Cash Equivalents	\$1,558,635	\$1,563,121	\$1,977,175
Accounts Receivable	21,011	14,139	44,214
Due from Other Governmental Units	5,176,149	6,439,179	5,431,845
Due from Other Funds	--	217,269	--
Prepaid Expenses	32,886	37,467	39,444
Total Assets	<u>\$6,788,681</u>	<u>\$8,271,175</u>	<u>\$7,492,678</u>
Liabilities			
Accounts Payable	\$324,894	\$324,069	\$345,179
Due to Other Funds	--	124,617	--
Due to Other Governmental Units	167,677	244,340	562,404
Payroll Deductions and Withholdings	--	556,082	--
Accrued Expenditures	452,326	--	--
Accrued Salaries Payable	2,347,533	2,070,385	2,245,024
Unearned Revenue	219,575	1,383,649	1,008,741
Total Liabilities	<u>\$3,512,005</u>	<u>\$4,703,142</u>	<u>\$4,161,348</u>
Deferred Inflows of Resources			
Unavailable Revenue			
Grants Received	<u>\$0</u>	<u>\$20,818</u>	<u>\$0</u>
Fund Balances			
Nonspendable			
Prepays	\$32,886	\$37,467	\$39,444
Assigned for			
25-26 Budget Appropriations	--	--	566,304
Compensated Absences & Termination Benefits	693,671	826,041	1,029,670
Unassigned	2,550,119	2,683,707	1,695,912
Total Fund Balances	<u>\$3,276,676</u>	<u>\$3,547,215</u>	<u>\$3,331,330</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$6,788,681</u>	<u>\$8,271,175</u>	<u>\$7,492,678</u>

Source: Audited Financial Statements

**Godwin Heights Public Schools
General Fund**

**Comparative Statement of Revenues,
Expenditures and Changes in Fund Balance**

	For Fiscal Years Ended June 30th		
	2023	2024	2025
Revenue			
Local Sources	\$4,214,341	\$4,763,749	\$5,089,602
State Sources	22,849,171	23,534,679	24,614,227
Federal Sources	3,975,367	3,673,058	2,213,329
Interdistrict Sources	4,500,469	4,560,078	4,711,636
Total Revenue	<u>\$35,539,348</u>	<u>\$36,531,564</u>	<u>\$36,628,794</u>
Expenditures			
Current			
Instruction	\$20,916,260	\$21,277,990	\$21,615,989
Supporting Services	12,889,932	13,598,067	14,528,469
Community Service	224,513	221,250	221,625
Capital Outlay	261,908	372,979	61,897
Total Expenditures	<u>\$34,292,613</u>	<u>\$35,470,286</u>	<u>\$36,427,980</u>
Excess of Revenue Over (Under) Expenditures	<u>\$1,246,735</u>	<u>\$1,061,278</u>	<u>\$200,814</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	--	\$13,878	\$3,301
Operating Transfers Out	(652,700)	(804,617)	(420,000)
Total Other Financing Sources (Uses)	<u>(\$652,700)</u>	<u>(\$790,739)</u>	<u>(\$416,699)</u>
Net Change in Fund Balance	\$594,035	\$270,539	(\$215,885)
Fund Balance - Beginning	<u>\$2,682,641</u>	<u>\$3,276,676</u>	<u>\$3,547,215</u>
Fund Balance - Ending	<u>\$3,276,676</u>	<u>\$3,547,215</u>	<u>\$3,331,330</u>

Source: Audited Financial Statements

[THIS PAGE INTENTIONALLY LEFT BLANK]

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.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Independent Auditors' Report

Management and the Board of Education
Godwin Heights Public Schools
Wyoming, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Godwin Heights Public Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Godwin Heights Public Schools' basic financial statements as listed in the table of contents.

In our opinion, based on our audit, 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 Godwin Heights Public Schools, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Godwin Heights 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.

Adoption of New Accounting Standard

As discussed in Note 13 to the financial statements, during the year ended June 30, 2025, the School District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

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 Godwin Heights 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.

2 - 1

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Godwin Heights 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 Godwin Heights 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, budgetary comparison information, schedule of the school district's proportionate share of the net pension liability, schedule of the school district's pension contributions, schedule of the school district's proportionate share of the net OPEB liability (asset), and schedule of the school district's OPEB contributions 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Godwin Heights Public Schools' basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional

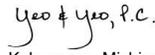
2 - 2

C-1

analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information, as identified in the table of contents, 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 other supplementary information, as identified in the table of contents, is 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 20, 2025 on our consideration of Godwin Heights 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 Godwin Heights 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 Godwin Heights Public Schools' internal control over financial reporting and compliance.

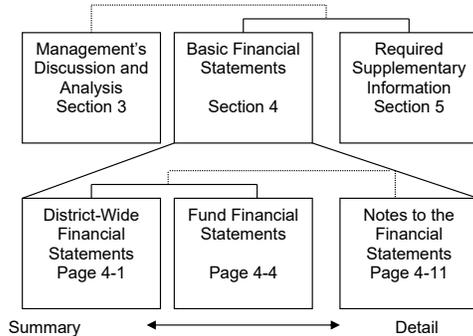

Kalamazoo, Michigan
October 20, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Godwin Heights Public Schools
Management Discussion and Analysis
June 30, 2025

This financial report is presented in the format required by the Governmental Accounting Standards Board (GASB). The overall organization of this report is shown in Figure A-1.

Figure A-1
Godwin Heights Public Schools
Organization of Annual Financial Report



District-Wide Financial Statements

The District-wide statements provide a perspective of the District as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two District-wide statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position (page 4-1) combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless of whether they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities (page 4-3) accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various district services.

When analyzed together, the two statements help the reader determine whether the District is financially stronger or weaker as a result of the year's activities.

Fund Financial Statements

The fund financial statements focus on individual parts of the district, reporting the District's operation in more detail than the district-wide statements. The fund level statements are reported on a *modified accrual basis*. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's *Public School Accounting Manual*. In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds. The funds used by Godwin Heights Public Schools include Capital Project Funds, Fiduciary Funds, Debt Funds, and Special Revenue Funds for Food Service and Student/School Activities.

Godwin Heights Public Schools is the trustee, or fiduciary, for its student activity funds. These fiduciary activities are reported in separate statements of fiduciary net position. They are excluded from the other financial statements because the District may not use the assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Godwin Heights Public Schools
Management Discussion and Analysis
June 30, 2025

Financial Analysis of the District as a Whole

Summary of Net Position

	Governmental Activities June 30, 2024	Governmental Activities June 30, 2025
Assets and Deferred Outflows		
Current assets	\$ 11,580,121	\$ 11,003,335
Capital assets	56,662,014	57,020,486
Less accumulated depreciation	(28,991,703)	(30,370,838)
Capital assets, net book value	27,670,311	26,649,648
Deferred outflows of resources	19,160,862	15,175,893
Net OPEB Asset	872,189	6,722,127
Total assets and deferred outflows	59,283,483	59,551,003
Liabilities and Deferred Inflows		
Current liabilities	4,751,829	4,318,812
Noncurrent liabilities	70,581,888	58,719,074
Deferred inflows of resources	15,077,240	21,031,180
Total liabilities and deferred inflows	90,410,957	84,069,066
Net Position		
Net investment in capital assets	6,572,335	7,017,446
Restricted	1,189,988	7,561,473
Unrestricted	(38,889,797)	(39,096,982)
Total net position	\$ (31,127,474)	\$ (24,518,063)

The *Summary of Net Position* and the *Statement of Net Position from Operating Results* on the next page show the changes in the District's net position. Unrestricted net position is similar but not identical to fund balance. Other assets are restricted for capital projects and food service operations. A reconciliation of the difference between changes in net position and changes in fund balance is on page 4-8. In 2024/25 the District's combined net position at the beginning of the fiscal year totaled (\$31,127,474) and on June 30, 2025 totaled (\$24,518,063) which represents an increase of \$6,609,411 as recorded in the statement of activities. Each year, the main drivers of the overall change are the overall performance of the governmental funds, and the

change in valuation of the net pension and OPEB liabilities and related deferred inflows and outflows of resources.

Statement of Net Position from Operating Results

	Governmental Activities Year Ended June 30, 2024	Governmental Activities Year Ended June 30, 2025
Revenues		
Program revenues		
Charges for services	\$ 1,923,882	\$ 1,704,806
Operating grants and contributions	17,747,047	18,188,695
General revenues		
Property taxes	6,787,197	7,296,847
State foundation allowance	14,696,143	14,105,963
Other	202,713	177,795
Total revenues	41,356,982	41,474,106
Expenses		
Instruction	20,405,215	19,041,026
Support services	13,243,375	13,009,515
Food services	2,052,331	1,872,706
Other transactions	815,416	741,815
Total expenses	36,516,337	34,665,062

The largest component of revenues is the per-pupil Foundation Allowance which is legislatively established each year and varies by district. It is comprised of a state portion and the amount raised by the District's non-homestead property tax levy of 18.0 mills.

The combined total is based on two variables:

1. The State of Michigan State Aid Act per student foundation allowance
2. Student enrollment for 2024/25 was calculated by blending 90 percent of the current year's fall count and 10 percent of the prior year's winter count.

Revenue is determined by multiplying the two variables and adjusting for the lower foundation allowance of students attending Godwin Heights Public Schools from other school districts.

**Godwin Heights Public Schools
Management Discussion and Analysis
June 30, 2025**

The School District's Funds

A school district accounting system is organized and operated on a fund basis. Legal reporting requirements and the varied nature of the District's operations make it necessary to account for activities through the use of separate funds. Financial statements for the General Fund are on page 5-1.

The District's governmental funds reported a combined fund balance of \$6,793,795 (which is a decrease of \$130,828) from last year. The changes in the individual funds are:

- In the General Fund, our principal operating fund, the fund balance decreased by \$215,885. A large number of revenue and expense changes occurred during the year and are detailed on the pages that follow.
- The 2020 Capital Projects Fund was established with the passing of millage in May of 2020 and the subsequent completion of projects resulting in a decrease to the fund balance by (\$213,874).
- The overall fund balance in the Debt Service Fund and Non-Major Special Revenue Funds increased by \$673,969. Additional detail on the changes in the Non-Major Governmental Funds is available on pages 6-1 and 6-2.
- The Other Capital Projects Fund experienced a decrease of approximately \$375k as a result of a transfer to the 2020 Capital Projects Fund.

Per Student Foundation Allowance

Annually, the State of Michigan establishes the per student foundation allowance. For the 2024/25 school year, the foundation allowance remained at \$9,608 per pupil — the same amount Godwin Heights Public Schools received in 2023/24. This indicates no increase in state funding per student for the 2024/25 school year.

Student Enrollment

The District's state aid membership for 2024/25 was 1,931 students. This is a decrease of 39 students from the previous school year. The 2024/25 beginning budget was adopted using projections of a 25 student (FTE) decrease in our student enrollment. The following summarizes fall student enrollments in the past five years:

Enrollment History

	Student FTE	FTE Change from Prior Year
2024/25	1931	(39)
2023/24	1970	(8)
2022/23	1978	(24)
2021/22	2002	(34)
2020/21	2036	(10)

Preliminary student enrollment projections for 2025/26 indicate that enrollments are likely to decrease from 2024/25. County birthrates, current enrollment, and community factors all play a part in this forecast.

**Godwin Heights Public Schools
Management Discussion and Analysis
June 30, 2025**

Property Taxes Levied for General Operations

The District levies 18.0 mills of property taxes for operations (General Fund) on Non-Homestead properties. A change in state tax law late in 2007 exempted industrial and commercial personal property from the operational millage and shifted the balance of funding to the foundation allowance. The following summarizes the local tax revenues as a percent of all general fund revenues for the past five years:

Local Property Tax History

	Local Property Tax Revenue	% of General Fund Revenue
2024/25	\$ 4,530,780	12.4%
2023/24	4,265,444	11.7%
2022/23	3,782,798	10.6%
2021/22	3,374,138	11.1%
2020/21	3,242,466	10.9%

Capital Assets

At June 30, 2025, the District had \$26,649,648 invested in capital assets including land, buildings, furniture, and equipment.

Assets	2024	2025
Land	\$ 459,162	\$ 459,162
Land Improvements	4,118,023	4,118,023
Buildings and improvements	45,111,695	45,111,695
Furniture and equipment	5,508,024	6,068,819
Buses and other vehicles	1,465,110	1,262,787
Construction in progress	-	-
Subtotal	56,662,014	57,020,486
Less accumulated depreciation	(28,991,703)	(30,370,838)
	\$ 27,670,311	\$ 26,649,648

Long Term Debt Activity

The district began the year with \$19.925 million in general obligation bonded debt and made payments of \$1.550 million, ending the year at \$18.375 million.

Original versus Revised Budget

The Uniform Budget Act of the State of Michigan requires that a local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. Significant changes were made with amendments to reflect actual student counts that came in subsequent to passing of the original budget, as well as related funding levels that were approved with the passage of the state school aid budget and related expenditures adjustments the District made in accordance. The budget for 2024/25 was approved on June 24, 2024 and amended in March and June of 2025.

General Fund Revenues

Total Revenues Final Budget	\$ 37,056,741
Total Revenues Original Budget	34,098,604
	<u>\$ 2,958,137</u>
Total Revenues Actual	\$ 36,632,095
Total Revenues Final Budget	37,056,741
	<u>\$ (424,646)</u>

The actual variance from the final budget was 1.15%.

General Fund Expenditures

Total Expenditures Final Budget	\$ 37,056,741
Total Expenditures Original Budget	34,098,604
	<u>\$ 2,958,137</u>
Total Expenditures Actual	\$ 36,847,980
Total Expenditures Final Budget	37,056,741
	<u>\$ (208,761)</u>

The actual variance from the final budget was 0.006%.

Economic Factors and Next Year's Budget and Rates

For 2025-26, the legislature had not adopted a final State School Aid Act before the Board of Education was required to adopt its budget at the June 23 meeting.

Godwin Heights Public Schools
Management Discussion and Analysis
June 30, 2025

The major assumptions for the 2025-26 budget include:

- A \$417 per pupil foundation increase (\$10,025).
- Eliminate the MPERS Cost Offset (147a4) and increase the UAAL rate stabilization (147c1) to 15.02%.
- Steps and category increases for all employees based on current collective bargaining agreements.
- Taxable value growth of 4.5%
- Retaining our 31aa Mental Health Grant.
- Decrease our total student FTE by 25.

Requests for Information

This financial report is designed to give a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning this report or requests for additional information should be addressed to Matt Hickson, Assistant Superintendent for Finance and Operations, Godwin Heights Public Schools, 15 – 36th Street SW, Wyoming, MI 49548; telephone number 616-252-2090.

BASIC FINANCIAL STATEMENTS

Godwin Heights Public Schools
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Cash	\$ 5,334,193
Accounts receivable	44,214
Due from other governmental units	5,456,307
Inventory	29,177
Prepaid items	139,444
Capital assets not being depreciated	459,162
Capital assets - net of accumulated depreciation	26,190,486
Net OPEB asset	6,722,127
Total assets	44,375,110
Deferred Outflows of Resources	
Deferred amount relating to the net pension liability	12,982,664
Deferred amount relating to the net OPEB asset	2,193,229
Total deferred outflows of resources	15,175,893

See Accompanying Notes to the Financial Statements
4 - 1

Godwin Heights Public Schools
Statement of Net Position
June 30, 2025

	Governmental Activities
Liabilities	
Accounts payable	382,020
Due to other governmental units	562,404
Accrued expenditures	109,272
Accrued salaries payable	2,256,375
Unearned revenue	1,008,741
Long-term liabilities	
Net pension liability	38,057,202
Due within one year	1,865,500
Due in more than one year	18,796,372
Total liabilities	63,037,886
Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	12,290,776
Deferred amount relating to the net OPEB asset	8,740,404
Total deferred inflows of resources	21,031,180
Net Position	
Net investment in capital assets	7,017,446
Restricted for:	
Food service	119,755
Debt service	839,346
Net OPEB asset	6,722,127
Unrestricted	(39,216,737)
Total net position	\$ (24,518,063)

See Accompanying Notes to the Financial Statements
4 - 2

Godwin Heights Public Schools
Statement of Activities
For the Year Ended June 30, 2025

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Functions/Programs				
Governmental activities				
Instruction	\$ 19,041,026	\$ 483,068	\$ 13,985,179	\$ (4,572,779)
Supporting services	13,009,515	829,101	2,021,408	(10,159,006)
Food services	1,872,706	18,854	2,131,885	278,033
Community services	175,644	373,783	50,223	248,362
Interest and fiscal charges on long-term debt	566,172	-	-	(566,172)
Total governmental activities	<u>\$ 34,665,062</u>	<u>\$ 1,704,806</u>	<u>\$ 18,188,695</u>	<u>(14,771,561)</u>
General revenues				
Property taxes, levied for general purposes				4,530,780
Property taxes, levied for debt service				2,766,067
State aid - unrestricted				14,105,963
Interest and investment earnings				68,514
Gain on sale of capital assets				52,679
Other				<u>56,602</u>
Total general revenues				<u>21,580,605</u>
Change in net position				<u>6,809,044</u>
Net position - beginning, as previously reported				(31,127,474)
Change in accounting principle (GASB 101)				<u>(199,633)</u>
Net position - beginning, as restated				<u>(31,327,107)</u>
Net position - ending				<u>\$ (24,518,063)</u>

See Accompanying Notes to the Financial Statements
4 - 3

Godwin Heights Public Schools
Governmental Funds
Balance Sheet
June 30, 2025

	General Fund	Other Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 1,977,175	\$ 2,081,159	\$ 1,275,859	\$ 5,334,193
Accounts receivable	44,214	-	-	44,214
Due from other governmental units	5,431,845	-	24,462	5,456,307
Inventory	-	-	29,177	29,177
Prepaid items	39,444	-	100,000	139,444
Total assets	<u>\$ 7,492,678</u>	<u>\$ 2,081,159</u>	<u>\$ 1,429,498</u>	<u>\$ 11,003,335</u>
Liabilities				
Accounts payable	\$ 345,179	\$ -	\$ 36,841	\$ 382,020
Due to other governmental units	562,404	-	-	562,404
Accrued salaries payable	2,245,024	-	11,351	2,256,375
Unearned revenue	1,008,741	-	-	1,008,741
Total liabilities	<u>4,161,348</u>	<u>-</u>	<u>48,192</u>	<u>4,209,540</u>

See Accompanying Notes to the Financial Statements
4 - 4

Godwin Heights Public Schools
Governmental Funds
Balance Sheet
June 30, 2025

	General Fund	Other Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances				
Non-spendable				
Inventory	-	-	29,177	29,177
Prepaid items	39,444	-	100,000	139,444
Restricted for				
Debt service	-	-	948,618	948,618
Committed for				
Student/school activities	-	-	155,440	155,440
Student scholarships	-	-	157,493	157,493
Assigned				
25-26 budget appropriations	566,304	-	-	566,304
Compensated absences and termination benefits	1,029,670	-	-	1,029,670
Capital projects	-	2,081,159	-	2,081,159
Unassigned	<u>1,695,912</u>	<u>-</u>	<u>(9,422)</u>	<u>1,686,490</u>
 Total fund balances	 <u>3,331,330</u>	 <u>2,081,159</u>	 <u>1,381,306</u>	 <u>6,793,795</u>
 Total liabilities and fund balances	 <u>\$ 7,492,678</u>	 <u>\$ 2,081,159</u>	 <u>\$ 1,429,498</u>	 <u>\$ 11,003,335</u>

See Accompanying Notes to the Financial Statements
4 - 5

Godwin Heights Public Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances for governmental funds	\$ 6,793,795
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	459,162
Capital assets - net of accumulated depreciation	26,190,486
Net OPEB asset is not recorded as an asset in the governmental funds	6,722,127
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from the net pension liability	12,982,664
Deferred outflows of resources resulting from the net OPEB asset	2,193,229
Deferred inflows of resources resulting from the net pension liability	(12,290,776)
Deferred inflows of resources resulting from the net OPEB asset	(8,740,404)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(109,272)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Net pension liability	(38,057,202)
Compensated absences	(1,029,670)
Bonds payable	<u>(19,632,202)</u>
Net position of governmental activities	<u>\$ (24,518,063)</u>

See Accompanying Notes to the Financial Statements
4 - 6

Godwin Heights Public Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	General Fund	Other Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local sources	\$ 5,089,602	\$ 2,707	\$ 3,088,282	\$ 8,180,591
State sources	24,614,227	-	100,352	24,714,579
Federal sources	2,213,329	-	1,681,703	3,895,032
Interdistrict sources	4,711,636	-	-	4,711,636
Total revenues	<u>36,628,794</u>	<u>2,707</u>	<u>4,870,337</u>	<u>41,501,838</u>
Expenditures				
Current				
Education				
Instruction	21,615,989	-	-	21,615,989
Supporting services	14,528,469	-	228,343	14,756,812
Food services	-	-	2,102,613	2,102,613
Community services	221,625	-	-	221,625
Capital outlay	61,897	-	623,334	685,231
Debt service				
Principal	-	-	1,550,000	1,550,000
Interest and other expenditures	-	-	703,697	703,697
Total expenditures	<u>36,427,980</u>	<u>-</u>	<u>5,207,987</u>	<u>41,635,967</u>
Excess (deficiency) of revenues over expenditures	<u>200,814</u>	<u>2,707</u>	<u>(337,650)</u>	<u>(134,129)</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	3,301	-	-	3,301
Transfers in	-	-	797,745	797,745
Transfers out	(420,000)	(377,745)	-	(797,745)
Total other financing sources (uses)	<u>(416,699)</u>	<u>(377,745)</u>	<u>797,745</u>	<u>3,301</u>
Net change in fund balances	(215,885)	(375,038)	460,095	(130,828)
Fund balances - beginning	<u>3,547,215</u>	<u>2,456,197</u>	<u>921,211</u>	<u>6,924,623</u>
Fund balances - ending	<u>\$ 3,331,330</u>	<u>\$ 2,081,159</u>	<u>\$ 1,381,306</u>	<u>\$ 6,793,795</u>

See Accompanying Notes to the Financial Statements
4 - 7

Godwin Heights Public Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - Total governmental funds	\$ (130,828)
Total change in net position reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Operating grants	(20,818)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation and amortization expense	(1,626,602)
Capital outlay	616,154
Sale of capital assets (net book value)	(10,215)
Expenses are recorded when incurred in the statement of activities.	
Interest	7,877
Compensated absences and termination benefits	(3,996)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	10,386,795
Net change in deferrals of resources related to the net pension liability	(6,702,691)
The statement of net position reports the net OPEB liability (asset) and deferred outflows of resources and deferred inflows related to the net OPEB liability (asset) and OPEB changes. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB liability (asset)	5,849,938
Net change in deferrals of resources related to the net OPEB liability (asset)	(3,236,218)
Bond and note proceeds and leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.	
Repayments of long-term debt	1,550,000
Amortization of premiums	129,648
Change in net position of governmental activities	\$ 6,809,044

See Accompanying Notes to the Financial Statements
4 - 8

Godwin Heights Public Schools
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2025

	<u>Golden G Scholarship Custodial Fund</u>
Assets	
Cash	\$ <u>123,423</u>
Net Position	
Assets held for scholarships and loans	\$ <u>123,423</u>

See Accompanying Notes to the Financial Statements
4 - 9

Godwin Heights Public Schools
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	<u>Golden G Scholarship Custodial Fund</u>
Additions	
Local sources	\$ 208,121
Deductions	
Scholarships	<u>235,204</u>
Change in net position	(27,083)
Net position - beginning	<u>150,506</u>
Net position - ending	<u>\$ 123,423</u>

See Accompanying Notes to the Financial Statements
4 - 10

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Godwin Heights Public Schools (School District) conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the district as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all non-fiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net assets. The School District first utilizes restricted resources in finance qualifying activities.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by

general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are 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.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

Fiduciary fund statements also are reported using the economic resources measurement focus and the accrual basis of accounting.

The School District reports the following major governmental funds:

General Fund - The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Other Capital Projects Fund - The Other Capital Projects Fund is used to record bond and other revenues and the payments for related expenditures by the School District.

Additionally, the School District reports the following nonmajor funds:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Funds include the Food Service Fund, Student Scholarship Fund, and Student/School Activity Fund.

Debt Service Funds - Debt Service Funds are used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

2020 Capital Projects Fund - The 2020 Capital Projects Fund is used to record bond and other revenues and the payments for related expenditures by the School District.

Fiduciary Funds - Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent. The Custodial Funds includes funds held by the School District for scholarship awards.

Assets, Liabilities and Net Position or Fund Balance

Receivables and Payables - Generally, outstanding amounts owed between funds are classified as "due from/to other funds." These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

Property taxes and other receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2025, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non-principal residence exemption	18.00000
Commercial personal property	6.00000
Debt Service Funds	5.12000

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by Kent County and remitted to the School District by May 15.

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

consumption method, and they therefore are capitalized as prepaid items in both district-wide and fund financial statements.

Capital Assets - Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000 and an estimated useful life in excess of two years. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Land improvements	20 years
Building and additions	50 years
Furniture and equipment	5-15 years
Transportation equipment	8 years

Deferred Outflows of Resources - A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities in the following year.

Long-term Obligations - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in

the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts.

In the School District's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

Pension - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. 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.

Postemployment Benefits Other Than Pensions - For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences - The accrued compensated absence liability consists of earned leave that is more likely than not to be utilized by employees, or unutilized but paid in cash. The amount anticipated to be paid out over the next year is included within the amounts listed as due within one year.

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

Deferred Inflows of Resources - A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Balance - In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable - amounts that are not available in a spendable form.

Restricted - amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed - amounts that have been formally set aside by the Board of Education for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

Assigned - amounts intended to be used for specific purposes, as determined by the Board of Education. The Board of Education has granted the finance committee and Superintendent the authority to assign funds. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

Unassigned - all other resources; the remaining fund balances after non-spendable, restrictions, commitments, and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Use of Estimates

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

Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints.

Upcoming Accounting and Reporting Changes

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

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

The School District is evaluating the impact that the above pronouncements will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education. Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year.

Excess of Expenditures over Appropriations

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Basic programs	\$ 16,328,002	\$ 16,379,576	\$ 51,574
Added needs	5,213,435	5,236,413	22,978
Pupil transportation services	1,492,817	1,569,222	76,405
Student/School Activities; Student Scholarship Funds	225,000	228,343	3,343

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

Note 3 - Deposits and Investments

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash	\$ 5,334,193	\$ 123,423	\$ 5,457,616

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 4,251,310
Investments in securities, mutual funds, and similar vehicles	1,206,306
Total	\$ 5,457,616

As of year end, the School District had the following investments:

Investment	Carrying Value	Maturities	Rating	Organization
Michigan Liquid Asset Fund - MAX Class	\$ 1,206,306	< 60 days	AAAm	Standard & Poors

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is discussed below.

As of June 30, 2025, the net asset value of the School District's investment in MILAF + Portfolio was \$1,206,306. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to

the number of redemptions that can be made provided the District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustees may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of \$1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

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.

Credit risk - State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles.

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.

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

Custodial credit risk - deposits - In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year end, \$5,167,922 of the School District's bank balance of \$5,417,922 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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. 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, brokers/dealers, intermediaries and advisors with which the District will do business.

Note 4 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 459,162	\$ -	\$ -	\$ 459,162
Capital assets being depreciated				
Land improvements	4,118,023	-	-	4,118,023
Buildings and additions	45,111,695	-	-	45,111,695
Furniture and equipment	5,508,024	560,795	-	6,068,819
Transportation equipment	1,465,110	55,359	257,682	1,262,787
Total capital assets being depreciated	56,202,852	616,154	257,682	56,561,324
Less accumulated depreciation for				
Land improvements	1,135,519	192,483	-	1,328,002
Buildings and additions	22,744,922	1,019,472	-	23,764,394
Furniture and equipment	4,174,313	291,152	-	4,465,465
Transportation equipment	936,949	123,495	247,467	812,977
Total accumulated depreciation	28,991,703	1,626,602	247,467	30,370,838
Net capital assets being depreciated	27,211,149	(1,010,448)	10,215	26,190,486
Net capital assets	\$27,670,311	\$(1,010,448)	\$ 10,215	\$26,649,648

Depreciation expense of capital assets and amortization expense of right to use assets were charged to activities of the School District as follows:

Governmental activities		
Instruction		\$ 910,897
Supporting services		618,109
Food services		81,330
Community services		16,266
Total governmental activities		\$ 1,626,602

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

Note 5 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

Grant and categorical aid payments received prior to meeting all eligibility requirements	<u>\$ 1,008,741</u>
---	---------------------

Note 6 - Interfund Transfers

Interfund transfers consist of the following:

	<u>Transfers In</u>
	Nonmajor Govt Funds
Transfers Out	
General Fund	\$ 420,000
Other Capital Projects Fund	<u>377,745</u>
	<u>\$ 797,745</u>

Funds were transferred from the General Fund to the Food Service Fund to fund a deficit. Funds were transferred from the Other Capital Projects Fund to the 2020 Capital Projects Fund in order to subsidize funding for those particular capital projects.

Note 7 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make a bond payment on behalf of the School District related to

qualified bonds. Other long-term obligations include compensated absences and termination benefits.

Long-term obligation activity is summarized as follows:

	(Restated) Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and notes payable					
General obligation bonds	\$19,925,000	\$ -	\$1,550,000	\$18,375,000	\$1,600,000
Bond premium	1,386,850	-	129,648	1,257,202	-
Total bonds payable	21,311,850	-	1,679,648	19,632,202	1,600,000
Other liabilities					
Compensated absences and termination benefits	1,025,674	3,996	-	1,029,670	265,500
Total	\$22,337,524	\$ 3,996	\$1,679,648	\$20,661,872	\$1,865,500

General obligation bonds payable at year end, consist of the following:

2015 Building and Site bonds, due in annual installments of \$1,375,000 to \$1,505,000 through May 1, 2030; interest at 2.90%	\$ 7,215,000
2020 Building and Site bonds, due in annual installments of \$225,000 to \$1,115,000 through May 1, 2040, interest at 4.00%	<u>11,160,000</u>
Total general obligation bonded debt	<u>\$18,375,000</u>

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

Future principal and interest requirements for bonded debt are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,600,000	\$ 655,634	\$ 2,255,634
2027	1,645,000	606,760	2,251,760
2028	1,695,000	556,470	2,251,470
2029	1,745,000	504,566	2,249,566
2030	1,800,000	451,044	2,251,044
2031-2035	4,575,000	1,624,000	6,199,000
2036-2040	5,315,000	649,000	5,964,000
Total	<u>\$ 18,375,000</u>	<u>\$ 5,047,474</u>	<u>\$ 23,422,474</u>

The general obligation bonds are payable from the Debt Service Funds. As of year end, the fund had a balance of \$948,618 to pay this debt. Future debt and interest will be payable from future tax levies.

Compensated Absences and Termination Benefits

Accrued compensated absences and termination benefits at year end consist of approximately \$985,000 in accrued sick and vacation time benefits in addition to future severance benefits of approximately \$45,000. The amount anticipated to be paid out over the next year is included within the amounts listed as due within one year. Additions and deductions are reported at their net value.

Interest expenditures for the fiscal year in the Debt Service Fund were \$703,697.

Note 8 - Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District is a member of the West Michigan Risk Management Trust (Trust), a self-insurance program with 15 districts pooling together to insure property, liability and auto exposures. Premiums from members of the Trust are arrived at through

standard underwriting procedures. The members of the Trust have contributed amounts sufficient to fund individual and aggregate losses up to \$250,000 and \$1,685,000, respectively, on an annual basis. An insurance policy is in place to cover claims from zero dollars and up by the insurance carrier in exchange for premium paid through the guaranteed cost program. A \$5,000 per occurrence deductible for property losses is maintained to place the responsibility for small charges with the members of the Trust.

The District is a member of the West Michigan Workers' Compensation Group, a group purchase program with 14 districts pooling together to insure workers' compensation and employers' liability exposures. The fund guarantees it will pay the cost of any workers' compensation or employer's liability loss.

The District carries commercial insurance for all other risks of loss, including employee life, health and accident insurance and cyber-related risks. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Note 9 - Pension Plan

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) 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. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

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

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this

method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2024.

Benefit Structure	Pension Contribution Rates	
	Member	Employer
Basic	0.0 - 4.0%	23.03%
Member Investment Plan	3.0 - 7.0%	23.03%
Pension Plus	3.0 - 6.4%	19.17%
Pension Plus 2	6.2%	20.10%
Defined Contribution	0.0%	13.90%

Required contributions to the pension plan from the School District were \$6,499,119 for the year ending September 30, 2024.

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

At June 30, 2025, the School District reported a liability of \$38,057,202 for its proportionate share of the MPERS net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2023. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2024, the School District's proportion was .1554 percent, which was an increase

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

of .0058 percent from its proportion measured as of September 30, 2023.

For the plan year ending September 30, 2024, the School District recognized pension expense of \$4,136,107 for the measurement period. For the reporting period ending June 30, 2025, the School District recognized total pension contribution expense of \$6,477,674.

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 1,032,519	\$ (413,497)	\$ 619,022
Changes of assumptions	3,967,689	(2,788,389)	1,179,300
Net difference between projected and actual earnings on pension plan investments	-	(7,262,927)	(7,262,927)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>2,001,281</u>	<u>(101,809)</u>	<u>1,899,472</u>
Total to be recognized in future	7,001,489	(10,566,622)	(3,565,133)
School District contributions subsequent to the measurement date	<u>5,981,175</u>	<u>(1,724,154)</u>	<u>4,257,021</u>
Total	<u>\$12,982,664</u>	<u>\$(12,290,776)</u>	<u>\$ 691,888</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from

employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. The District will offset the contribution expense in the year ended June 30, 2026 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2025	\$ (395,153)
2026	790,690
2027	(2,249,034)
2028	<u>(1,711,636)</u>
	<u>\$ (3,565,133)</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2023
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

- Investment Rate of Return:
 - MIP and Basic Plans: 6.00% net of investment expenses
 - Pension Plus Plan: 6.00% net of investment expenses
 - Pension Plus 2 Plan: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 - 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
 - Retirees: PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2024, is based on the results of an actuarial valuation date of September 30, 2023, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 4.4612 years.

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2024 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of

pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.3%
Private Equity Pools	16.0	9.0%
International Equity	15.0	6.5%
Fixed Income Pools	13.0	2.2%
Real Estate and Infrastructure Pools	10.0	7.1%
Absolute Return Pools	9.0	5.2%
Real Return/Opportunistic Pools	10.0	6.9%
Short Term Investment Pools	<u>2.0</u>	1.4%
	<u>100.0%</u>	

*Long-term rates of return are net of administrative expenses and 2.3% inflation.

Rate of Return

For the plan year ended September 30, 2024, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 15.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension plus plan, 6.00% for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease *	Current Single Discount Rate Assumption *	1% Increase *
5.00%	6.00%	7.00%
\$ 55,792,267	\$ 38,057,202	\$ 23,289,348

Michigan Public School Employees' Retirement System (MPSERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the Michigan Public School Employees' Retirement System (MPSERS)

There were no significant payables to the pension plan that are not ordinary accruals to the School District.

Note 10 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) 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, reclassified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

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

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning with fiscal year 2013,

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

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 healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

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

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

date, and their prior contributions were deposited into their 401(k) account.

Contributions

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

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2024.

Benefit Structure	OPEB Contribution Rates	
	Member	Employer
Premium Subsidy	3.0%	8.31%
Personal Healthcare Fund (PHF)	0.0%	7.06%

Required contributions to the OPEB plan from the School District were \$1,298,085 for the year ended September 30, 2024.

OPEB Liabilities or Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the School District reported an asset of \$6,722,127 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30,

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2023. The School District's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2024, the School District's proportion was .1562 percent, which was an increase of .0020 percent from its proportion measured as of September 30, 2023.

For the plan year ending September 30, 2024, the School District recognized OPEB expense of \$(2,297,566) for the measurement period. For the reporting period ending June 30, 2025, the School District recognized total OPEB contribution expense of \$305,681.

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$(7,123,401)	\$(7,123,401)
Changes of assumptions	1,468,209	(168,758)	1,299,451
Net difference between projected and actual earnings on OPEB plan investments	-	(1,272,576)	(1,272,576)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>611,310</u>	<u>(175,669)</u>	<u>435,641</u>
Total to be recognized in future	2,079,519	(8,740,404)	(6,660,885)
School District contributions subsequent to the measurement date	<u>113,710</u>	<u>-</u>	<u>113,710</u>
Total	<u>\$ 2,193,229</u>	<u>\$(8,740,404)</u>	<u>\$(6,547,175)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as an addition to the net OPEB asset in the year ended June 30, 2026.

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)	
2025	\$(2,128,833)
2026	(1,284,565)
2027	(1,327,926)
2028	(1,168,913)
2029	(627,120)
Thereafter	<u>(123,528)</u>
	<u>\$ (6,660,885)</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2023
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: Pre-65: 7.25% Year 1 graded to 3.5% Year 15; Post-65: 6.50% Year 1 graded to 3.5% Year 15

• Mortality:

- Retirees: PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
- Active: PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Other Assumptions:

- Opt Out Assumption: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total OPEB liability as of September 30, 2024 is based on the results of an actuarial valuation date of September 30, 2023, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees in years is 6.2834.

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2024 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Class	Long Term Expected Real	
	Target Allocation	Rate of Return*
Domestic Equity Pools	25.0 %	5.3%
Private Equity Pools	16.0	9.0%
International Equity	15.0	6.5%
Fixed Income Pools	13.0	2.0%
Real Estate and Infrastructure Pools	10.0	7.1%
Absolute Return Pools	9.0	5.2%
Real Return/Opportunistic Pools	10.0	6.9%
Short Term Investment Pools	2.0	1.4%
	<u>100.0%</u>	

*Long-term rates of return are net of administrative expenses and 2.3% inflation.

Rate of Return

For the plan year ended September 30, 2024, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 15.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total OPEB 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

1% Decrease	Current Discount Rate	1% Increase
5.00%	6.00%	7.00%
\$ (5,194,915)	\$ (6,722,127)	\$ (8,042,563)

Godwin Heights Public Schools
Notes to the Financial Statements
June 30, 2025

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

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ (8,042,577)	\$ (6,722,127)	\$ (5,305,951)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2024 MPERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orschools.

Payables to the OPEB Plan

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 11 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment 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 costs which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2025.

Note 12 - Tax Abatements

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Payments in Lieu of Taxes (PILOT) granted by one city. Industrial facility exemptions are intended

to promote construction of new industrial facilities, or to rehabilitate historical facilities; PILOT programs apply to multiple unit housing for citizens of low income and the elderly.

For the fiscal year ended June 30, 2025, the School District's property tax revenues were reduced by \$112,150 under these programs.

There are no significant abatements made by the School District.

Note 13 - Change in Accounting Principle

The District restated net position as a result of adopting GASB Statement No. 101, *Compensated Absences*.

	Governmental Activities
Net position - June 30, 2024, as previously presented	\$(31,127,474)
Change in accounting principle (GASB 101)	(199,633)
Net position - July 1, 2024, as restated	<u>\$(31,327,107)</u>

REQUIRED SUPPLEMENTARY INFORMATION

Godwin Heights Public Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
Revenues				
Local sources	\$ 5,038,614	\$ 5,117,335	\$ 5,089,602	\$ (27,733)
State sources	23,063,028	24,655,225	24,614,227	(40,998)
Federal sources	1,904,101	2,262,736	2,213,329	(49,407)
Interdistrict sources	4,092,861	5,018,144	4,711,636	(306,508)
Total revenues	<u>34,098,604</u>	<u>37,053,440</u>	<u>36,628,794</u>	<u>(424,646)</u>
Expenditures				
Instruction				
Basic programs	15,429,511	16,328,002	16,379,576	51,574
Added needs	5,301,216	5,213,435	5,236,413	22,978
Supporting services				
Pupil	2,465,569	2,700,414	2,666,491	(33,923)
Instructional staff	1,107,102	1,584,562	1,584,023	(539)
General administration	780,182	695,850	663,691	(32,159)
School administration	2,168,681	2,322,549	2,295,282	(27,267)
Business	461,460	501,788	489,574	(12,214)
Operations and maintenance	3,466,836	3,777,233	3,681,599	(95,634)
Pupil transportation services	1,197,169	1,492,817	1,569,222	76,405
Central	742,602	898,077	860,498	(37,579)
Athletic activities	727,353	718,203	718,089	(114)
Community services	250,923	254,886	221,625	(33,261)
Capital outlay	-	68,925	61,897	(7,028)
Total expenditures	<u>34,098,604</u>	<u>36,556,741</u>	<u>36,427,980</u>	<u>(128,761)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>496,699</u>	<u>200,814</u>	<u>(295,885)</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	3,301	3,301	-
Transfers out	-	(500,000)	(420,000)	(80,000)
Total other financing sources (uses)	<u>-</u>	<u>(496,699)</u>	<u>(416,699)</u>	<u>(80,000)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(215,885)</u>	<u>(215,885)</u>
Fund balance - beginning	<u>3,547,215</u>	<u>3,547,215</u>	<u>3,547,215</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,547,215</u>	<u>\$ 3,547,215</u>	<u>\$ 3,331,330</u>	<u>\$ (215,885)</u>

Godwin Heights Public Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. School district's proportion of the net pension liability (%)	0.1554%	0.1497%	0.1478%	0.1461%	0.1404%	0.1399%	0.1449%	0.1469%	0.1427%	0.1443%
B. School district's proportionate share of the net pension liability	\$ 38,057,202	\$ 48,443,997	\$ 55,567,797	\$ 34,584,141	\$ 48,243,063	\$ 46,327,199	\$ 43,567,588	\$ 38,057,610	\$ 35,601,754	\$ 35,247,058
C. School district's covered payroll	\$ 16,563,327	\$ 15,464,666	\$ 14,097,953	\$ 13,634,141	\$ 12,783,405	\$ 12,125,271	\$ 12,152,729	\$ 12,495,830	\$ 12,053,940	\$ 12,054,777
D. School district's proportionate share of the net pension liability as a percentage of its covered payroll	229.77%	313.26%	394.16%	253.66%	377.39%	382.07%	358.50%	304.56%	295.35%	292.39%
E. Plan fiduciary net position as a percentage of total pension liability	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2024.
Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2024.

5 - 2

Godwin Heights Public Schools
Required Supplementary Information
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. Statutorily required contributions	\$ 6,477,674	\$ 6,384,816	\$ 5,286,354	\$ 5,006,760	\$ 4,342,963	\$ 3,790,313	\$ 3,651,777	\$ 3,787,924	\$ 3,422,913	\$ 3,178,052
B. Contributions in relation to statutorily required contributions	<u>6,477,674</u>	<u>6,384,816</u>	<u>5,286,354</u>	<u>5,006,760</u>	<u>4,342,963</u>	<u>3,790,313</u>	<u>3,651,777</u>	<u>3,787,924</u>	<u>3,422,913</u>	<u>3,178,052</u>
C. Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. School District's covered payroll	\$ 17,615,821	\$ 16,343,561	\$ 15,129,105	\$ 14,037,064	\$ 13,251,551	\$ 12,697,975	\$ 12,081,657	\$ 12,203,993	\$ 12,386,070	\$ 11,973,647
E. Contributions as a percentage of covered payroll	36.77%	39.07%	34.94%	35.67%	32.77%	29.85%	30.23%	31.04%	27.64%	26.54%

5 - 3

C-21

Godwin Heights Public Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2016	2015
A. School District's proportion of the net OPEB liability (asset) (%)	0.1562%	0.1542%	0.1446%	0.1502%	0.1438%	0.1386%	0.1427%	0.146800%		
B. School District's proportionate share of the net OPEB liability (asset)	\$ (6,722,127)	\$ (872,189)	\$ 3,063,549	\$ 2,292,014	\$ 7,705,831	\$ 9,949,231	\$ 11,342,403	\$ 12,999,643		
C. School District's covered payroll	\$ 16,563,327	\$ 15,464,666	\$ 14,097,953	\$ 13,634,141	\$ 12,783,405	\$ 12,125,271	\$ 12,152,729	\$ 12,495,830		
D. School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-40.58%	-5.64%	21.73%	16.81%	60.28%	82.05%	93.33%	1.04031849		
E. Plan fiduciary net position as a percentage of total OPEB liability (asset)	143.08%	105.04%	83.09%	87.33%	59.44%	36.39%	42.95%	0.3639		

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2024.
Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2024.

Godwin Heights Public Schools
Required Supplementary Information
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. Statutorily required contributions	\$ 305,681	\$ 1,258,742	\$ 1,153,403	\$ 1,099,765	\$ 1,091,874	\$ 1,068,570	\$ 989,794	\$ 1,045,635		
B. Contributions in relation to statutorily required contributions	<u>305,681</u>	<u>1,258,742</u>	<u>1,153,403</u>	<u>1,099,765</u>	<u>1,091,874</u>	<u>1,068,570</u>	<u>989,794</u>	<u>1,045,635</u>		
C. Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
D. School District's covered payroll	\$ 17,615,821	\$ 16,343,561	\$ 15,129,105	\$ 14,037,064	\$ 13,251,551	\$ 12,697,975	\$ 12,081,657	\$ 12,203,993		
E. Contributions as a percentage of covered payroll	1.74%	7.70%	7.62%	7.83%	8.24%	8.42%	8.19%	8.57%		

APPENDIX D
FORM OF LEGAL OPINION

[THIS PAGE INTENTIONALLY LEFT BLANK]



THRUN LAW FIRM, P.C.

MICHAEL D. GRESENS
CHRISTOPHER J. JAMARINO
RAYMOND M. DAVIS
MICHELE R. EADDY
KIRK C. HERALD
ROBERT A. DIETZEL
KATHERINE WOLF BROADDUS

DANIEL R. MARTIN
JENNIFER K. STARLIN
TIMOTHY T. GARDNER, JR.
IAN F. KOFFLER
FREDRIC G. HEIDEMANN
RYAN J. NICHOLSON
CRISTINA T. PATZELT

PHILIP G. CLARK
PIOTR M. MATUSIAK
JESSICA E. MCNAMARA
ERIN H. WALZ
RYAN J. MURRAY
MACKENZIE D. FLYNN
KATHRYN R. CHURCH

MARYJO D. BANASIK
CATHLEEN M. DOOLEY
KELLY S. BOWMAN
AUSTIN W. MUNROE

U.S. MAIL ADDRESS
P.O. Box 2575, EAST LANSING, MI 48826-2575
PHONE: (517) 484-8000 FAX: (517) 484.0041

ALL OTHER SHIPPING
2900 WEST ROAD, SUITE 400
EAST LANSING, MI 48823-6366

GORDON W. VANWIENEN, JR. (OF COUNSEL)
ROY H. HENLEY (OF COUNSEL)
BRADFORD W. SPRINGER (OF COUNSEL)

DRAFT LEGAL OPINION

Godwin Heights Public Schools
County of Kent
State of Michigan

We have acted as bond counsel in connection with the issuance by Godwin Heights Public Schools, County of Kent, State of Michigan (the "Issuer"), of its bonds in the aggregate principal amount of \$_____ designated 2026 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax) (the "Bonds"). The Bonds are in fully registered form and issued without coupons, are dated _____, 2026, 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, 2026, and semiannually thereafter on May 1 and November 1 of each year in the amounts and at the rates as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
-------------	---------------	-------------	-------------	---------------	-------------

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;



Godwin Heights Public Schools
County of Kent
State of Michigan

_____, 2026

Page 2

(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/MDG

APPENDIX E
FORM OF CONTINUING DISCLOSURE AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

**FORM OF
CONTINUING DISCLOSURE AGREEMENT**

§ _____
**GODWIN HEIGHTS PUBLIC SCHOOLS
COUNTY OF KENT
STATE OF MICHIGAN
2026 SCHOOL BUILDING AND SITE BONDS, SERIES I
(GENERAL OBLIGATION - UNLIMITED TAX)**

This Continuing Disclosure Agreement (the “Agreement”) is executed and delivered by Godwin Heights Public Schools, County of Kent, State of Michigan (the “Issuer”), in connection with the issuance of its \$_____ 2026 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax) (the “Bonds”). The Bonds are being issued pursuant to resolutions adopted by the Board of Education of the Issuer on December 8, 2025 and _____, 2026 (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 _____, 2026.

“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, 2026, 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.

GODWIN HEIGHTS PUBLIC SCHOOLS
COUNTY OF KENT
STATE OF MICHIGAN

By: _____
Its: Superintendent

Dated: _____, 2026

APPENDIX A

NOTICE TO THE MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Godwin Heights Public Schools, Kent County, Michigan

Name of Bond Issue: 2026 School Building and Site Bonds, Series I (General
Obligation - Unlimited Tax)

Date of Bonds: _____, 2026

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 _____.

GODWIN HEIGHTS 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: Godwin Heights Public Schools, Kent County, Michigan

Name of Bond Issue: 2026 School Building and Site Bonds, Series I (General
Obligation - Unlimited Tax)

Date of Bonds: _____, 2026

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

GODWIN HEIGHTS 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.



[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]



Printed by: ImageMaster, LLC
www.imagemaster.com