PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 10, 2026

NEW ISSUE—Book-Entry-Only

RATINGS†*: S&P Global Ratings AA / AA-
Michigan School Bond Qualification and Loan Program / Underlying

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.

$46,835,000**
BYRON CENTER PUBLIC SCHOOLS
COUNTIES OF KENT AND ALLEGAN, 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 Byron Center Public Schools, Counties of Kent and Allegan, State of Michigan (the "School District") approved the issuance of bonds in the amount not to exceed $110,000,000 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 $46,835,000**, 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 January 12, 2026 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 expected to be fully qualified as of the date of delivery for participation in the Michigan School Bond Qualification and Loan Program pursuant to Act 92, Public Acts of Michigan, 2005, as amended, enacted pursuant to Article IX, Section 16 of the Michigan Constitution of 1963. Under the terms of said constitutional and statutory provisions, if for any reason the School District will be or is unable to pay the principal of and interest on the Bonds when due, the School District shall borrow and the State of Michigan shall lend to it an amount sufficient to enable the School District to make the payment. See "QUALIFICATION BY THE STATE OF MICHIGAN" and APPENDIX A, "State Qualification," herein.

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 Argent Institutional Trust Company, 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.

(Base CUSIP§: ______)

Maturity**	Amount**	Interest Rate	Yield	CUSIP§	Maturity**	Amount**	Interest Rate	Yield	CUSIP§
2028	$ 900,000				2039	$1,235,000			
2031	295,000				2040	1,300,000			
2032	880,000				2041	1,365,000			
2033	925,000				2042	1,430,000			
2034	970,000				2043	1,545,000			
2035	1,020,000				2044	1,635,000			
2036	1,070,000				2045	1,760,000			
2037	1,120,000				2046	1,895,000			
2038	1,175,000				2047	2,035,000			

Amount**	Interest Rate	Maturity**	Yield	CUSIP§
$10,965,000		Term Bond Due May 1, 2051		
13,315,000		Term Bond Due May 1, 2055		

The Bonds maturing on May 1, 2051** and May 1, 2055** (the "Term Bonds") are subject to mandatory redemption on the redemption dates and in the principal amounts set forth herein at a redemption price equal to the principal amount thereof without premium. See "THE BONDS – Mandatory Redemption of Term Bonds" herein.

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 Underwriter 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 Underwriter 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.

STIFEL

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

† For an explanation of the ratings, see "RATINGS" herein.
* As of date of delivery.
** Preliminary, subject to change.
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No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement in connection with the offer made hereby and, if given or made, such other information or representation must not be relied upon as having been authorized by the School District or the Underwriter. 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 Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information (except for information under the section captioned "UNDERWRITING," which was obtained from the Underwriter).

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 and the Department of Treasury of the State of Michigan, approved the Bonds for sale.

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

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

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OFFICIAL STATEMENT
relating to

$46,835,000[1]
BYRON CENTER PUBLIC SCHOOLS
COUNTIES OF KENT AND ALLEGAN, 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 Byron Center Public Schools, Counties of Kent and Allegan, 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 $46,835,000[1].

PURPOSE AND SECURITY

On November 4, 2025, the qualified electors of the School District approved a proposal authorizing the issuance of bonds in an amount not to exceed $110,000,000 to be issued in one or more series. Proceeds of the Bonds in the principal amount of $46,835,000[1], representing the first series of bonds issued pursuant to the 2025 authorization, are being issued for the purpose of erecting, furnishing, and equipping additions to school facilities; partially remodeling, furnishing and refurnishing, and equipping and re-equipping school facilities; acquiring and installing instructional technology and instructional technology equipment for school facilities; erecting, furnishing, and equipping a bus garage facility; purchasing school buses; acquiring sites; erecting, preparing, developing, improving, furnishing, and equipping athletic facilities and fields; and preparing, developing, and improving a playground and sites (the "Project"); and paying the cost of issuing the Bonds.

The Bonds, as authorized for issuance by the resolutions of the Board of Education of the School District adopted on January 12, 2026 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. As of the date of delivery, the Bonds are expected to be fully qualified for participation in the State of Michigan School Bond Qualification and Loan Program. See "QUALIFICATION BY THE STATE OF MICHIGAN" and APPENDIX A, "State Qualification," in this Official Statement.

QUALIFICATION BY THE STATE OF MICHIGAN

An application will be submitted to the Michigan Department of Treasury to obtain, and it is the School District's expectation that the Bonds will receive, final qualification as of the date of delivery to participate in the Michigan School Bond Qualification and Loan Program pursuant to Act 92 of the Public Acts of Michigan, 2005, as amended ("Act 92"), enacted pursuant to Article IX, Section 16, of the Michigan Constitution of 1963. Under the terms of said constitutional and statutory provisions, if for any reason the School District will be or is unable to pay the principal and interest on the Bonds when due, the School District shall borrow and the State of Michigan (the "State") shall lend to it from the School Loan Revolving Fund (the "School Loan Revolving Fund") established by the State, an amount sufficient to enable the School District to make the payment. Article IX, Section 16 of the State Constitution as implemented by Act 112 of the Public Acts of Michigan, 1961, as amended, authorizes the State, without approval of its electors, to borrow from time to time such amounts as shall be required, pledge the State's full faith and credit and issue its notes or bonds therefor, for the purpose of making loans to school districts as provided under such section. Loans to school districts for such purposes are made from the proceeds of such State borrowing. See APPENDIX A, "State Qualification," in this Official Statement.

[1] Preliminary, subject to change.

Complete financial statements of all of the State's funds as included in the State's Annual Comprehensive Financial Report ("ACFR") prepared by the State's Office of the State Budget are available from the Budget website: www.michigan.gov/budget. The State has agreed to file its ACFR with the Municipal Securities Rulemaking Board (as described in Rule 15c2-12(b)(5) of the Securities and Exchange Commission) annually, so long as any bonds qualified for participation in the Michigan School Bond Qualification and Loan Program remain outstanding.

ESTIMATED SOURCES AND USES OF FUNDS

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

USES
- Capital Projects Fund
- Underwriter's 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 Argent Institutional Trust Company, 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 Underwriter 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 Underwriter to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the School District nor the Paying Agent will have any responsibility or obligation to Direct Participants, Indirect Participants (both as defined below) or the persons for which they act as nominees with respect to the Bonds, or for any principal, premium, if any, or interest payment thereof.

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

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

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

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

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

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

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

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

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

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

Transfer Outside Book-Entry-Only System

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

Optional Redemption[1]

The Bonds or portions of the Bonds in multiples of $5,000 maturing on or after May 1, 2037[1], are subject to redemption at the option of the School District in such order as the School District may determine and by lot within any maturity, on any date occurring on or after May 1, 2036[1], at par plus accrued interest to the date fixed for redemption.

Mandatory Redemption of Term Bonds[1]

The Bonds maturing on May 1, 2051[1] and May 1, 2055[1] (the "Term Bonds"), are subject to mandatory redemption, in part, by lot, on the redemption dates and in the principal amounts set forth below and at redemption prices equal to the principal amounts thereof, without premium, together with interest thereon to the redemption dates. When Term Bonds are purchased by the School District and delivered to the Paying

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[1] Preliminary, subject to change.

Agent for cancellation or are redeemed in a manner other than by mandatory redemption, the principal amount of the Term Bonds affected shall be reduced by the principal amount of the Bonds so redeemed or purchased in the order determined by the School District.

Bonds Maturing May 1, 2051[1]

Redemption Dates[1]	Principal Amounts[1]
May 1, 2048	$2,545,000
May 1, 2049	2,670,000
May 1, 2050	2,805,000
May 1, 2051 (maturity)	2,945,000

Bonds Maturing May 1, 2055[1]

Redemption Dates[1]	Principal Amounts[1]
May 1, 2052	$3,090,000
May 1, 2053	3,245,000
May 1, 2054	3,405,000
May 1, 2055 (maturity)	3,575,000

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.

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

[1] Preliminary, subject to change.

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, to be borrowed from the School Loan Revolving Fund for the Bonds, 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 or could compel the School District to make application to borrow the necessary funds from the School Loan Revolving Fund and thus prevent a default. However, if a paying agent for any bonds of the School District qualified for State loans as provided in Article IX, Section 16, of the State Constitution notifies the State Treasurer that the School District has failed to deposit sufficient funds to pay principal and interest on the qualified bonds when due or if a bondholder notifies the State Treasurer that the School District has failed to pay principal or interest on such qualified bonds when due, whether or not the School District has filed a draw request with the State Treasurer, the State Treasurer shall promptly pay the principal or interest on the qualified bonds when due.

If sufficient funds for full payment of debt service on the Bonds do not reach the Paying Agent five business days prior to the debt service payment due date, the Paying Agent will notify the School District of the amount of insufficient funds four business days prior to the due date. In the event that the School District does not immediately resolve the insufficient funds situation, the Paying Agent will notify the Michigan

Department of Treasury of the deficiency three business days before the payment due date and the State Treasurer shall make the payment.

Any amount paid by the State Treasurer as described in the preceding paragraphs shall be deemed a loan made to the School District pursuant to the requirements of said Article IX, Section 16, of the State Constitution. 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. See APPENDIX A, "State Qualification," in this Official Statement.

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 property[1], a State sales and use tax, a real estate transfer tax and a cigarette tax.

Generally, school districts are required to levy a local property tax of not more than 18 mills or the number of mills levied in 1993 for school operating purposes, whichever is less, on non-homestead properties[2] in order for the school district to receive its per pupil foundation allowance. An intermediate school district may seek voter approval for up to three enhancement mills for distribution to local constituent school districts on a per pupil basis. Proceeds of the enhancement mills are not counted toward the foundation allowance. The Kent Intermediate School District has received voter approval for a 0.9 mill enhancement millage (currently reduced to 0.8498 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 $302 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 foundation allowance, first by levying such amount of the 18 mills against homestead property[3] 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.

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

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

[3] "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.

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 B.

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 D.

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 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 Underwriter 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 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

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

continued to purchase or carry the Bonds, and (vii) commercial banks, thrift institutions and other financial institutions may not deduct their costs of carrying certain obligations such as the Bonds.

Original Issue Premium[1]

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

Original Issue Discount[1]

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

Future Developments

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

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

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

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[1] Preliminary, subject to change.

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 Underwriter by its counsel, Varnum LLP, Grand Rapids, Michigan.

APPROVAL BY MICHIGAN DEPARTMENT OF TREASURY

The School District has received a letter from the Department of Treasury of the State of Michigan stating that the School District is in material compliance with the criteria of the Revised Municipal Finance Act 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.

RATINGS

S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLC ("S&P"), will assign, as of the date of delivery of the Bonds, its municipal bond rating of "AA" to the Bonds based upon the fact that each Bond will be fully qualified for participation in the Michigan School Bond Qualification and Loan Program as of its date of delivery. See "QUALIFICATION BY THE STATE OF MICHIGAN," "LEVY AND COLLECTION OF TAXES FOR PAYMENT OF THE BONDS AND BONDHOLDERS' REMEDIES" and APPENDIX A, "State Qualification," herein.

S&P will also assign, as of the date of delivery of the Bonds, its underlying municipal bond rating of "AA-" to the Bonds without regard to qualification of the Bonds for participation in the Michigan School Bond Qualification and Loan Program.

No application has been made to any other ratings service for a rating on the Bonds. The School District furnished to S&P certain materials and information in addition to that provided herein. Generally, rating agencies base their ratings on such information and materials, and on investigations, studies and assumptions. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse affect on the market price of the Bonds. Any ratings assigned represent only the views of S&P. Further information is available upon request from S&P Global Ratings, 55 Water Street, New York, New York 10041, telephone: (212) 438-1000.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "Underwriter" or "Stifel") has 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 Underwriter, 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 Underwriter has 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 Underwriter 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 Underwriter. 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 Underwriter 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 Underwriter, within seven business days of the date of the Bond Purchase Agreement, an electronic copy of the Official Statement to enable the Underwriter 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 F: 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," and "SCHOOL LOAN REVOLVING FUND (SLRF) PROGRAM" as it relates to the School District's School Loan Revolving Fund balance, if any, in APPENDIX B, and the General Fund Budget Summary in APPENDIX C.

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.

BYRON CENTER PUBLIC SCHOOLS
COUNTIES OF KENT AND ALLEGAN
STATE OF MICHIGAN

By: ______________________
Its: Superintendent of Schools

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APPENDIX A
STATE QUALIFICATION

ARTICLE IX, SECTION 16 OF THE
1963 STATE OF MICHIGAN CONSTITUTION

State loans to school districts.

Sec. 16. The state, in addition to any other borrowing power, may borrow from time to time such amounts as shall be required, pledge its faith and credit and issue its notes or bonds therefor, for the purpose of making loans to school districts as provided in this section.

Amount of loans.

If the minimum amount which would otherwise be necessary for a school district to levy in any year to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies, exceeds 13 mills on each dollar of its assessed valuation as finally equalized, or such lower millage as the legislature may prescribe, then the school district may elect to borrow all or any part of the excess from the state. In that event the state shall lend the excess amount to the school district for the payment of principal and interest. If for any reason any school district will be or is unable to pay the principal and interest on its qualified bonds when due, then the school district shall borrow and the state shall lend to it an amount sufficient to enable the school district to make the payment.

Qualified bonds.

The term "qualified bonds" means general obligation bonds of school districts issued for capital expenditures, including refunding bonds, issued prior to May 4, 1955, or issued thereafter and qualified as provided by law pursuant to Section 27 or Section 28 of Article X of the Constitution of 1908 or pursuant to this section.

Repayment of loans, tax levy by school district.

After a school district has received loans from the state, each year thereafter it shall levy for debt service, exclusive of levies for nonqualified bonds, not less than 13 mill or such lower millage as the legislature may prescribe, until the amount loaned has been repaid, and any tax collections therefrom in any year over and above the minimum requirements for principal and interest on qualified bonds shall be used toward the repayment of state loans. In any year when such levy would produce an amount in excess of the requirements and the amount due to the state, the levy may be reduced by the amount of the excess.

Bonds, state loans, repayment.

Subject to the foregoing provisions, the legislature shall have the power to prescribe and to limit the procedure, terms and conditions for the qualification of bonds, for obtaining and making state loans, and for the repayment of loans.

Power to tax unlimited.

The power to tax for the payment of principal and interest on bonds hereafter issued which are the general obligations of any school district, including refunding bonds, and for repayment of any state loans made to school districts, shall be without limitations as to rate or amount.

Rights and obligations to remain unimpaired.

All rights acquired under Sections 27 and 28 of Article X of the Constitution of 1908, by holders of bonds heretofore issued, and all obligations assumed by the state or any school district under these sections, shall remain unimpaired.

SCHOOL BOND QUALIFICATION, APPROVAL, AND LOAN ACT
Act 92 of 2005

AN ACT to prescribe the procedures, terms, and conditions for the qualification or approval of school bonds and other bonds; to authorize this state to make loans to certain school districts for the payment of certain bonds and to authorize schools to borrow from this state for that purpose; to prescribe the terms and conditions of certain loans to school districts; to prescribe the powers and duties of certain state agencies and certain state and local officials; to provide for certain fees; to prescribe certain penalties; and to repeal acts and parts of acts.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

The People of the State of Michigan enact:

388.1921 Short title.

Sec. 1. This act shall be known and may be cited as the "school bond qualification, approval, and loan act".

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1922 Purpose of act.

Sec. 2. The purpose of this act is to implement section 16 of article IX of the state constitution of 1963 and to provide for loans to school districts.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1923 Definitions.

Sec. 3. As used in this act:

(a) "Computed millage" means the number of mills in any year, not less than 7 mills and not more than 13 mills, determined on the date of issuance of the order qualifying the bonds or on a later date if requested by the school district and approved by the state treasurer, that, if levied by the school district, will generate sufficient annual proceeds to pay principal and interest on all the school district's qualified bonds plus principal and interest on all qualified loans related to those qualified bonds no later than the final mandatory repayment date. Based on changes of circumstances, including, but not limited to, additional bond qualification, refundings, changes in qualified loan interest rates, changes in taxable values, and assumptions contained in any then currently effective guidelines issued by the state treasurer pursuant to section 5(2)(c), the school district shall not less than annually, beginning on October 1, 2013, using methods prescribed in this act, recalculate the computed millage necessary to generate sufficient annual levy proceeds to pay principal and interest on all of the school district's qualified bonds and principal and interest on all qualified loans related to those qualified bonds not later than the final mandatory repayment date. If the school district determines that the recalculated computed millage is lower than its current millage levy rate, the school district shall promptly notify the state treasurer in writing of the recalculated computed millage. Immediately thereafter, the school district shall decrease its millage levy rate to the recalculated computed millage, but not below the computed millage established pursuant to the most recent order qualifying bonds for that school district, or to the minimum levy prescribed by law for receipt of qualified loans, whichever rate is higher. If the school district determines that the recalculated computed millage is higher than its current millage levy rate, the school district shall promptly notify the state treasurer in writing of the recalculated computed millage. Immediately thereafter, the school district shall increase its millage levy rate to the recalculated computed millage, subject to 1 of the following exceptions, and subject to any maximum millage levy rate otherwise prescribed for by law:

(*i*) For each school district's first recalculated computed millage required as of October 1, 2013, increase its millage levy by a percentage amount equal to the equivalent percentage of taxable value change for that school district over the immediately preceding 5 years, but not higher than the recalculated computed millage.

(*ii*) For each school district's subsequent recalculated computed millage beginning October 1, 2014 and each year thereafter, increase its millage levy by a percentage amount equal to the percentage of taxable value decline for the immediately preceding year ending September 30, but not to a rate higher than the recalculated computed millage.

(*iii*) If it is determined that a district's current computed millage is sufficient to pay all qualified loans by the mandatory final loan repayment date, no recalculation of the computed millage is required.

(b) "Final mandatory repayment date" means the final mandatory repayment date determined by the state treasurer under section 9.

(c) "Michigan finance authority" means the Michigan finance authority created under Executive

Reorganization Order No. 2010-2, MCL 12.194.

(d) "Qualified bond" means a bond that is qualified under this act for state loans as provided in section 16 of article IX of the state constitution of 1963. A qualified bond includes the interest amount required for payment of a school district's net interest obligation under an interest rate exchange or swap, hedge, or other agreement entered into pursuant to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, but does not include a termination payment or similar payment related to the termination or cancellation of an interest rate exchange or swap, hedge, or other similar agreement. A qualified bond may include a bond issued to refund loans owed to the state under this act.

(e) "Qualified loan" means a loan made under this act or former 1961 PA 108 from this state to a school district to pay debt service on a qualified bond.

(f) "Revolving loan fund" means the school loan revolving fund created under section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

(g) "School district" means a general powers school district organized under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or a school district of the first class as described in the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, having the power to levy ad valorem property taxes.

(h) "State treasurer" means the state treasurer or his or her duly authorized designee.

(i) "Taxable value" means the value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1924 Qualification of new bonds; terms and conditions applicable to outstanding qualified bonds; application for prequalification.

Sec. 4. (1) A school district may issue and market bonds as qualified bonds if the state treasurer has issued an order granting qualification under this act.

(2) Except with regard to qualification of new bonds, nothing in this act shall be construed to alter the terms and conditions applicable to outstanding qualified bonds issued in accordance with former 1961 PA 108. Unless otherwise amended as permitted by this act, outstanding qualified loans incurred in association with outstanding qualified bonds described in this subsection shall bear interest as provided in section 9(8) but otherwise shall be due and payable as provided in the repayment agreements entered into between the school district and the state before the effective date of this act.

(3) The state treasurer may qualify bonds for which the state treasurer has received an application for prequalification on or before May 25, 2005 without regard to the requirements of section 5(2)(f) if the electors of the school district approve the bonds at an election held during 2005.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1925 Preliminary qualification; application.

Sec. 5. (1) A school district may apply to the state treasurer for preliminary qualification of a proposed school bond issue by filing an application in the form and containing the information required by this act.

(2) An application for preliminary qualification of a school bond shall contain all of the following information:

(a) The proposed ballot language to be submitted to the electors.

(b) A description of the project or projects proposed to be financed.

(c) A pro forma debt service projection showing the estimated mills the school district will levy to provide revenue the school district will use to pay the qualified bonds, any outstanding qualified bonds, and any outstanding or projected qualified loans of the school district. For the purpose of the pro forma debt service projection, the school district may assume for the first 5 years following the date of the application the average growth or decline in taxable value for the 5 years or such other period of time requested by the school district if approved by the state treasurer preceding the date of the application and the average growth or decline rate for the 20 years immediately preceeding the date of the application but not more than 3% or less than 0% growth rate, for the remaining term of the proposed bonds.

(d) Evidence that the rate of utilization of each project to be financed will be at least 85% for new buildings and 60% for renovated facilities. If the projected enrollment of the district would not otherwise support utilization at the rates described in this subsection, the school district may include an explanation of the actions the school district intends to take to address the underutilization, including, if applicable, actions to close school buildings or other actions designed to assure continued assured use of the facilities being financed.

(e) Evidence that the cost per square foot of the project or projects will be reasonable in light of economic conditions applicable to the geographic area in which the school district is located.

(f) Evidence that the school district will repay all outstanding qualified bonds, the proposed qualified bonds, all outstanding qualified loans, and all qualified loans expected to be incurred with respect to all qualified bonds of the school district, including the proposed qualified bond issue, not later than the applicable final mandatory repayment date.

(g) The overall utilization rate of all school buildings in the school district, excluding special education purposes.

(h) The total bonded debt outstanding of the school district and the total taxable value of property in the school district for the school district fiscal year in which the application is filed.

(i) A statement describing any environmental or usability problems to be addressed by the project or projects.

(j) An architect's analysis of the overall condition of the facilities to be renovated or replaced as a part of the project or projects.

(k) An amortization schedule demonstrating that the weighted average maturity of the qualified bond issue does not exceed 120% of the average reasonably expected useful life of the facilities, excluding land and site improvements, being financed or refinanced with the proceeds of the qualified bonds, determined as of the later of the date on which the qualified bonds will be issued or the date on which each facility is expected to be placed in service.

(*l*) An agreement that the school district will keep books and records detailing the investment and expenditure of the proceeds of the qualified bonds and, at the request of the state treasurer, the school district will promptly, but not later than the date specified in the request, which date shall be not less than 5 business days after the date of the request, submit information requested by the state treasurer related to the detailed information maintained by the school district as to the investment and expenditure of the proceeds of its qualified bonds.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1926 Prequalification of bonds; determination by state treasurer.

Sec. 6. The state treasurer shall prequalify bonds of a school district if the state treasurer determines all of the following:

(a) The issuance of additional qualified bonds will not prevent the school district from repaying its outstanding qualified bonds, the proposed bonds, all outstanding qualified loans, and all qualified loans expected to be incurred with respect to all qualified bonds of the school district, including the proposed bond issue, not later than the applicable final mandatory repayment date.

(b) The form and language of the ballot conforms with the requirements of this act.

(c) The school district has filed an application complying with the requirements of section 5.

(d) If the proposed bond issue is approved by the voters after September 30, 2012 and will result in additional qualified loans, the outstanding balance of all qualified loans on the most recent May 1 or November 1 did not exceed $1,800,000,000.00. The $1,800,000,000.00 limitation described in the immediately preceding sentence does not apply after June 30, 2016.

(e) The issuance of additional qualified bonds approved by voters after September 30, 2012 will not have an adverse financial impact on the school district, this state, or the school loan revolving fund. In making this determination, the state treasurer shall consider relevant factors, including, but not limited to, whether the issuance of the proposed bond issue will cause the aggregate outstanding amount of qualified and nonqualified bonds, including the proposed bond issue, and currently outstanding qualified loans of the school district to exceed 25% of the taxable value of the school district at the time the proposed bonds are issued.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1927 Qualification of bonds; determination by state treasurer; order; specifications; loan agreement; reapplication; qualification of refunding bonds; requirements.

Sec. 7. (1) The state treasurer shall qualify bonds of a school district if the state treasurer determines all of the following:

(a) A majority of the school district electors have approved the bonds.

(b) The terms of the bond issue comply with applicable provisions of the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(c) The school district is in compliance with the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(d) The weighted average maturity of the qualified bond issue does not exceed 120% of the average reasonably expected useful life of the facilities, excluding land and site improvements, being financed or refinanced with the proceeds of the bonds, determined as of the later of the date on which the qualified bonds will be issued or the date on which each facility is expected to be placed in service.

(e) The school district has filed any information necessary to update the contents of the original application to reflect changes in any of the information approved in the preliminary qualification process.

(f) The school district has agreed that the school district will keep books and records detailing the investment and expenditure of the proceeds of the qualified bonds and, at the request of the state treasurer, the school district will promptly, but not later than the date specified in the request, which date shall be not less than 5 business days after the date of the request, submit information requested by the state treasurer related to the detailed information maintained by the school district as to the investment and expenditure of the proceeds of its qualified bonds.

(2) An order qualifying bonds shall specify the principal and interest payment dates for all the bonds, the maximum principal amount of and maximum interest rate on the bonds, the computed millage, if any, the final mandatory repayment date, and other matters as the state treasurer shall determine or as are required by this act.

(3) If the application for prequalification demonstrates that the school district will borrow from this state in accordance with this act, the state treasurer and the school district shall enter into a loan agreement setting forth the terms and conditions of any qualified loans to be made to the school district under this act.

(4) If a school district does not issue its qualified bonds within 180 days after the date of the order qualifying bonds, the order shall no longer be effective. However, the school district may reapply for qualification by filing an application and information necessary to update the contents of the original application for prequalification or qualification.

(5) The state treasurer shall qualify refunding bonds issued to refund qualified loans or qualified bonds if the state treasurer finds that all of the following are met:

(a) The refunding bonds comply with the provisions of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(b) That the school district will repay all outstanding qualified bonds, the proposed qualified bonds, all outstanding qualified loans, and all qualified loans expected to be incurred with respect to all qualified bonds of the school district, including the proposed qualified bond issue, not later than the applicable final mandatory repayment date.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1928 Submission of ballot to electors; ballot.

Sec. 8. A ballot submitted to the school electors of a school district after November 8, 2005 requesting authorization to issue unlimited tax general obligations that will be guaranteed by this state in accordance with section 16 of article IX of the state constitution of 1963 shall inform the electors that if the school district expects to borrow from this state to pay debt service on the bonds, the estimated total amount of the principal of that borrowing and the interest to be paid on that borrowing, the estimated duration of the millage levy, and the estimated computed millage rate for that levy. The ballot shall also inform the electors of the total amount of qualified bond and loan debt currently outstanding and that the estimated computed millage rate may change based on changes in certain circumstances.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1929 Amount of borrowing; limitation; payment date for outstanding qualified loans; order; maintenance of separate accounts for each school district; duration of millage levy; amended and restated repayment agreements; waiver of portion of millage levy; findings; interest; final or later mandatory repayment date.

Sec. 9. (1) Except as otherwise provided in this act, a school district may borrow from the state an amount not greater than the difference between the proceeds of the school district's computed millage and the amount necessary to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies.

(2) For school districts having qualified loans outstanding as of July 20, 2005, the state treasurer shall review information relating to each school district regarding the taxable value of the school district and the actual debt service of outstanding qualified bonds as of July 20, 2005 and shall issue an order establishing the payment date for all those outstanding qualified loans and any additional qualified loans expected to be incurred by those school districts related to qualified bonds issued before July 20, 2005. The payment date shall be not later than 72 months after the date on which the qualified bonds most recently issued by the school district are due and payable. The payment date established pursuant to this subsection for a school district is a final mandatory repayment date.

(3) For qualified loans related to qualified bonds issued after July 20, 2005, the qualified loans shall be due

72 months after the date on which the qualified bonds for which the school borrowed from this state are due and payable. The due date determined pursuant to this subsection for a school district is a final mandatory repayment date. This section does not preclude early repayment of qualified bonds or qualified loans.

(4) The state treasurer shall maintain separate accounts for each school district on the books and accounts of this state noting the qualified bond, the related qualified loans, the final payment date of the bonds, the final mandatory repayment date of the qualified loans, and the interest rate accrued on the loans.

(5) For qualified loans relating to qualified bonds issued after July 20, 2005, a school district shall continue to levy the computed millage until it has completely repaid all principal and interest on its qualified loans.

(6) For qualified loans relating to qualified bonds issued before July 20, 2005, a school district shall continue to comply with the levy and repayment requirements imposed before July 20, 2005. Not less than 90 days after July 20, 2005, the state treasurer and the school district shall enter into amended and restated repayment agreements to incorporate the levy and repayment requirements applicable to qualified loans issued before July 20, 2005.

(7) Upon the request of a school district made before June 1 of any year, the state treasurer annually may waive all or a portion of the millage required to be levied by a school district to pay principal and interest on its qualified bonds or qualified loans under this section if the state treasurer finds all of the following:

(a) The school board of the school district has applied to the state treasurer for permission to levy less than the millage required to be levied to pay the principal and interest on its qualified bonds or qualified loans under subsection (1).

(b) The application specifies the number of mills the school district requests permission to levy.

(c) The waiver will be financially beneficial to this state, the school district, or both.

(d) The waiver will not reduce the millage levied by the school district to pay principal and interest on qualified bonds or qualified loans under this act to less than 7 mills.

(e) The board of the school district, by resolution, has agreed to comply with all conditions that the state treasurer considers necessary.

(8) All qualified loans shall bear interest at 1 of the following rates:

(a) The greater of 3% or the average annual cost of funds used to make qualified loans plus 0.125%, but not less than the cost of funds on outstanding qualified notes and bonds issued by the Michigan finance authority to finance loans computed by the state treasurer not less often than annually.

(b) A lesser rate determined by the state treasurer to be necessary to maintain the exemption from federal income tax of interest on any bonds or notes issued to fund qualified loans.

(c) A higher rate determined by the state treasurer to be necessary to prevent the impairment of any contract of this state or the Michigan finance authority in existence on the effective date of the amendatory act that added this subdivision.

(9) A payment date determined under subsection (2) or a due date determined under subsection (3) is a final mandatory repayment date. Once established for a school district as provided in this section, a final mandatory repayment date shall apply to all qualified loans of the school district, whenever made, until 30 days after the date the school district has no outstanding qualified loans and no outstanding debt incurred to refund qualified loans. Notwithstanding this subsection, the state treasurer may determine a later mandatory repayment date for a school district that agrees to levy a higher millage, acceptable to the state treasurer, not to exceed 13 mills, than its existing computed millage.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2006, Act 71, Imd. Eff. Mar. 20, 2006;—Am. 2009, Act 50, Imd. Eff. June 18, 2009;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1930 Certificates of qualification or approval; file; delivery.

Sec. 10. The state treasurer shall keep all certificates of qualification or approval in a permanent file and shall deliver copies of the certificates to the school district.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1931 Rules; bulletins.

Sec. 11. The state treasurer may promulgate rules to implement this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and may issue bulletins as authorized by this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1932 Failure to apply for prequalification, qualification, or approval of bond before issuance.

Sec. 12. If a school district does not apply for prequalification or qualification or approval of a bond issue before the issuance of those bonds, the state treasurer shall not approve or qualify those bonds as qualified bonds under this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1933 School district owing revolving loan fund; filing annual loan activity application required; borrowing for debt service on qualified bonds; draw request; duties of state treasurer upon receipt of qualified loan confirmation; notification of no need to borrow by school district; invoice for repayment amount; remittance.

Sec. 13. (1) If a school district owes a balance due to the revolving loan fund or has been identified as a potential borrower, the school district shall file an annual loan activity application with the state treasurer no less than 60 days before certifying its annual tax levy. The annual loan activity application shall be submitted in a format prescribed by the state treasurer and shall provide the taxable value, debt service, and any other information necessary to determine the proper required millage levy required under this act. The application shall contain a resolution passed by the local school board authorizing a designated school district official to complete all necessary documents to obtain a loan from the revolving loan fund or for making repayment to the revolving loan fund for the year.

(2) If a school district is eligible to borrow for debt service on qualified bonds, the school district shall file a draw request with the state treasurer not less than 30 days before each date on which the school district owes the debt service. The draw request shall include all of the following:

(a) A statement of the debt service owed in the next 6 months.

(b) A copy of the most recent bank statement showing the amount on hand in the debt service accounts for all qualified bonds.

(c) A statement of any revenue received for payment of the debt service since the date of the bank statement.

(d) A statement of any withdrawals made from the debt service account since the date of the bank statement.

(3) Not more than 7 days before the date established by the state treasurer for making qualified loans, the school district shall confirm in writing the final qualified loan amount to be drawn on a certificate in the form prescribed by the state treasurer.

(4) Upon receipt of a qualified loan confirmation described in subsection (3), the state treasurer shall determine the amount of the draw, which shall be the difference between the funds on hand in all debt service accounts and the amount of the debt service, and shall make a qualified loan in that amount to the school district no later than 6 days before the date the debt service is due.

(5) When a school district's current computed millage levy is sufficient to pay principal and interest on its qualified bonds, a school district shall notify the state treasurer in writing of no need to borrow no later than 30 days before the date set for payment of the qualified bonds.

(6) Within 30 days after receipt of the annual activity application under subsection (1), the state treasurer shall send an invoice to the school district for the amount of repayment the school district owes on its outstanding qualified loans, which shall be the difference between the debt service payable or paid to bondholders and the funds on hand at the school district, less a reasonable amount of funds on hand, as determined by the state treasurer, to cover minimum balance requirements or potential tax disputes. The school district shall remit the amount specified in the invoice within 30 days after the dated date of the invoice.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1934 Failure of school district to pay principal and interest due on qualified bonds; notice; payment by state treasurer; billing of school district for amount paid; remittance.

Sec. 14. (1) If any paying agent for a school district’s qualified bonds notifies the state treasurer that the school district has failed to deposit sufficient funds to pay principal and interest due on the qualified bonds when due, or if a bondholder notifies the state treasurer that the school district has failed to pay principal or interest on qualified bonds when due, whether or not the school district has filed a draw request with the state treasurer, the state treasurer shall promptly pay the principal or interest on the qualified bond when due.

(2) If the state treasurer pays any amount described in this section, the state treasurer shall bill the school district for the amount paid and the school district shall immediately remit the amount to the state treasurer. If the school district would have been eligible to borrow the debt service in accordance with the terms of this act, the school district shall enter into a loan agreement establishing the terms of the qualified loan as provided in this act. If the state treasurer directs the Michigan municipal bond authority to pay any amount described in this section, the state treasurer shall cause the Michigan municipal bond authority to bill the

school district for the amount paid and the school district shall immediately remit the amount to the Michigan municipal bond authority.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1935 Default; repayment.

Sec. 15. (1) If a school district that owes this state loan repayments relating to qualified bonds fails to levy at least the computed millage upon its taxable value for debt retirement purposes for qualified bonds and for repayment of a qualified loan made under this act while any part of the qualified loan is unpaid or defaults in its agreement to repay a qualified loan or any installment of a qualified loan, the school district shall increase its debt levy in the next succeeding year to obtain the amount necessary to repay this state the amount of the default plus a late charge of 3% and shall pay that amount to this state together with any other amounts owed during the next tax year. The school district may use other funds to repay this state including a transfer of general funds of the school district, if approved by the state treasurer. The state treasurer shall not disburse state school aid to the school district until the school district has made satisfactory arrangements with the state treasurer for the payment of the amount in default.

(2) If a school district fails to process any report, application, confirmation, or repayment as required under this act, the state treasurer may withhold a school district's state aid funds until the school district complies with the requirements under this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1936 Charging and disposition of fees.

Sec. 16. (1) The state treasurer may charge a prequalification application fee, a qualification application fee, and an annual loan activity fee in the amounts determined by the state treasurer to be required to pay the estimated administrative expenses incurred under this act for the fiscal year in which the state treasurer imposes the fee.

(2) The state treasurer shall deposit all fees collected under this act into a separate fund established within the state treasury, and shall use the proceeds of the fees solely for the purpose of administering and enforcing this act. The unexpended and unobligated balance of this fund at the end of each state fiscal year shall be carried forward over to the succeeding state fiscal year and shall not lapse to the general fund but shall be available for reappropriation for the next state fiscal year.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1937 False statement or unauthorized use of proceeds; violation as felony; penalty.

Sec. 17. A person who knowingly makes a false statement or conceals material information for the purpose of obtaining qualification of a bond issue under this act or for the purpose of obtaining a qualified loan under this act, or who knowingly uses all or part of the proceeds of a qualified loan obtained under this act for any purpose not authorized by this act, is guilty of a felony punishable by imprisonment for not more than 4 years or a fine of not more than $5,000.00, or both.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1938 Use of remaining proceeds.

Sec. 18. If a school district has completed the projects approved by the school electors of the school district to be funded from proceeds of qualified bonds, a school district may use any remaining proceeds of the qualified bonds as follows:

(a) To pay debt service on the qualified bonds.

(b) To repay this state.

(c) If in the opinion of the school district's bond counsel use of the remaining proceeds for the purposes described in subdivisions (a) and (b) would adversely affect the federal tax treatment of interest on the qualified bonds, to pay for enhancements to the projects approved by the school electors as described in the ballot language proposing the qualified bonds.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1939 Actions by designee.

Sec. 19. The state treasurer may designate in writing a person or persons to take any actions required to be taken by the state treasurer under this act. The signature of any designee shall have the same force and effect as the signature of the state treasurer for all purposes of this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

OPINION #4422 OF THE ATTORNEY GENERAL, STATE OF MICHIGAN
DATED MARCH 12, 1965

CONSTITUTIONAL LAW:
SCHOOL BONDS:
MUNICIPAL FINANCE COMMISSION:

Article 9, § 16, Michigan Constitution of 1963, requires school districts to borrow and State to lend sufficient sum to cover debt service payments on qualified bonds of school districts. Although this is not a pledge of full faith and credit of the State, the Municipal Finance Commission may and must enforce the duty of the district to borrow and the State to lend such sum.

No. 4422 March 12, 1965.

Hon. Sanford A. Brown
State Treasurer
Lansing, Michigan

You have asked in your letter of February 5 whether Article IX, § 16 of the Michigan Constitution of 1963 pledges the full faith and credit of the State to the payment of principal and interest of qualified school bonds.

Article IX, § 16 of the Michigan Constitution of 1963 provides in pertinent part as follows:

> "The state * * * may borrow from time to time such amounts as shall be required, pledge its faith and credit and issue its notes or bonds therefor, for the purpose of making loans to school districts as provided in this section.
>
> "If the minimum amount which would otherwise be necessary for a school district to levy in any year to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies, exceeds 13 mills on each dollar of its assessed valuation as finally equalized, or such lower millage as the legislature may prescribe, then the school district may elect to borrow all or any part of the excess from the state. In that event the state shall lend the excess amount to the school district for payment of principal and interest. If for any reason any school district will be or is unable to pay the principal and interest on its qualified bonds when due, then the school district shall borrow and the state shall lend to it an amount sufficient to enable the school district to make the payment.
>
> "The term 'qualified bonds' means general obligation bonds of school districts issued for capital expenditures, including refunding bonds, issued prior to May 4, 1955, or issued thereafter and qualified as provided by law pursuant to Section 27 or Section 28 of Article X of the Constitution of 1908 or pursuant to this section."

Thus, the school district is required to borrow and the State to lend an amount sufficient to enable the school district to make payments of principal and interest due on qualified bonds, and the state is empowered to borrow and to issue its notes or bonds for the purpose of making such loans, and to pledge its full faith and credit for such state bonds or notes.

The constitutional provision quoted does not pledge the full faith and credit of the state to all qualified bonds. The state is not primarily liable on qualified bonds of a school district. Rather, the state is required to lend whatever the school district needs, from time to time, to meet debt service requirements on such bonds.

You ask what remedies are available to enforce the obligation of the state.

The quoted language makes it mandatory upon the school district to borrow and upon the state to lend "an amount necessary to enable the school district to make the payment." Under Chapter II, Section 2(f) of the Municipal Finance Act [C.L. 1948 § 132.2; M.S.A. 1958 Rev. Vol. § 5.3188(4)f], the Municipal Finance Commission has power to enforce compliance with any law by, inter alia, the "institution of appropriate proceedings in the courts of the state, including those for writs of mandamus and injunction."

The Commission could and indeed must enforce the duty of the district to borrow and the state to lend. The bondholders also would have an action to enforce the duty of the district to borrow and of the state to lend.

Thus the bondholders are assured of the availability of state funds where needed to meet debt service requirements on qualified bonds. This is not a pledge of full faith and credit, but gives the bondholders as much or more protection as would such a pledge.

FRANK J. KELLEY,
Attorney General

OPINION #4508 OF THE ATTORNEY GENERAL, STATE OF MICHIGAN
DATED AUGUST 29, 1966

BONDS: Qualified bonds of school districts.
CONSTITUTION OF 1963: School Bond Loan Fund.
SCHOOLS: Bond Loans.
STATE TREASURER: Payment of principal and interest on qualified school district bonds.

Authority of State Treasurer and procedures to be followed in paying from the School Bond Loan Fund principal and interest on qualified school bonds upon presentment by a bondholder.

No. 4508 Hon. Allison Green August 29, 1966.
State Treasurer
Capitol Building
Lansing, Michigan

You have requested my opinion on what procedures should be followed by the state treasurer preparatory to making loans to local school districts which are unable to make payments on principal and interest of qualified school district bonds.[1]

Loans to bonded school districts are authorized by Article IX, Section 16, Constitution of 1963, which in part contains pertinent language:

> "If the minimum amount which would otherwise be necessary for a school district to levy in any year to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies, exceeds 13 mills on each dollar of its assessed valuation as finally equalized, or such lower millage as the legislature may prescribe, then the school district may elect to borrow all or any part of the excess from the state. In that event the state shall lend the excess amount to the school district for the payment of principal and interest. If for any reason any school district will be or is unable to pay the principal and interest on its qualified bonds when due, then the school district shall borrow and the state shall lend to it an amount sufficient to enable the school district to make the payment.
>
> "The term 'qualified bonds' means general obligation bonds of school districts issued for capital expenditures, including refunding bonds, issued prior to May 4, 1955, or issued thereafter and qualified as provided by law pursuant to Section 27 or Section 28 of Article X of the Constitution of 1908 or pursuant to this section."

Article IX, Section 16, Constitution of 1963, is a continuation with minor revisions of the provisions relating to school bond financing which appeared in Sections 27 and 28 of Article X, Constitution of 1908. Section 27, Article X, Constitution of 1908, was proposed by joint resolution of the legislature in 1955 and approved by the people at the regular election of April 4, 1955. The loan provisions of Section 27 ceased to have effectiveness after July 1, 1962, and were replaced by the provisions of Section 28, Article X, Constitution of 1908, which was proposed by joint resolution of the legislature in 1960 and approved by the people at the general election of November 8, 1960. Section 28 by its own terms took effect on July 1, 1962.

Section 28, Article X, Constitution of 1908, was implemented by the legislature by the enactment of Act 108, P.A. 1961, which took effect September 8, 1961. The first section of Act 108, P.A. 1961, stated that the purpose of the act was to implement Section 28 of Article X of the Constitution of 1908. The Constitution of 1963 took effect on January 1, 1964. In anticipation of the effectiveness of that Constitution, the legislature passed Act 33, P.A. 1963, Second Extra Session, such act to take effect on January 1, 1964. Act 33, P.A. 1963, Second Extra Session, amended Sections 1, 3, 8 and 9 of Act 108, P.A. 1961, and further amended section 7 of Act 108, P.A. 1961, as amended by Act 131, P.A. 1962. The first section of amendatory Act 33 stated that the act's purpose was to implement Section 16 of Article IX of the Constitution of 1963. Subsequent amendment has been made to Sections 2, 4, 6, 9 and 10 of Act 108, P.A. 1961, by Act 169, P.A. 1964, which act also added a new Section 4a.[2].

[1]In your letter of request you stated that you were familiar with Opinion No. 4422 issued by me on March 12, 1965, in which it was ruled that Article IX, Section 16, Constitution of 1963, requires school districts to borrow and the state to lend sufficient sums to cover debt service payments on qualified bonds of school districts but that this requirement is not a pledge of the full faith and credit of the state; the Municipal Finance Commission however may and must enforce the duty of the school district to borrow and have the state to lend the necessary amounts.

[2]Act 108, P.A. 1961, in its present amended form appears in M.S.A. 1965 Cum. Supp. § S 3.424(111) et seq.

Answer to your question is to be found in amended Sections 6, 7 and 8 of the act. These sections present two situations in which you may become involved as state treasurer. The first situation is where a loan is to be made to the school district to permit the district to meet the principal and interest requirements on its bonds without a default in payment; the second is where the principal or interest on the bonds has not been paid when due upon proper presentation because of inadequate funds resulting in a default in payment.

Under amended Section 6 of the act, in any school district where the amount necessary to be levied in any year for principal and interest on qualified bonds exceeds 7 mills on each dollar of the assessed valuation of the school district as last equalized by the state, such school district on or before 60 days prior to the time of certification of its tax levy to the assessing officer shall file with the superintendent of public instruction[3] a preliminary application for a loan from the state in the amount of any part of such excess over 7 mills which the school district does not propose to levy in such year.[4] Amended Section 6 specifies the information to be supplied in the application. The superintendent of public instruction if he finds the application in proper form shall approve or deny the application in whole or in part and notify the school district of his action. Amended Section 7 of the act provides that if a loan from the state shall become necessary for the payment of principal and interest on qualified bonds in accordance with an approved preliminary application to the superintendent of public instruction or by virtue of a supplemental application, it shall be the duty of the superintendent of public instruction after audit to forward to the state treasurer a statement setting forth the amount to be loaned to the school district for the payment of principal and interest and the date on or before which loan shall be made.[5] The superintendent shall prepare a voucher as a basis for the issuance of a warrant and upon receipt of such statement and warrant, it shall be the duty of the state treasurer to loan to the school district from the school bond loan fund the amount set forth in the statement of the superintendent of public instruction on or before the date specified therein. The state treasurer upon making such loan shall obtain from the school district a receipt for the amount so loaned which receipt shall specify the terms of repayment in accordance with the provisions of Section 16 of Article IX, Constitution of 1963 and the act. The school district treasurer upon receipt of the loan is required to deposit the same in the debt retirement fund to be used solely for the payment of principal and interest on qualified bonds.

The foregoing summaries of the procedures prescribed by amended Section 6 and 7 relate to the first situation above-described where the loan to the school district is to be made before the school district has defaulted in the payment of the principal or interest on its bonds.

The second situation described above is covered by amended Section 8 of the act which prescribes that in the event the principal or interest on any qualified bond is not paid when due, upon proper presentation of the bond or interest coupon to the agent or officer charged with making payment thereof, the state treasurer shall forthwith pay such principal or interest upon presentation of the bond or coupon to him. Any amount so paid by the state treasurer shall be deemed a loan to the school district made pursuant to the requirements of Section 16, Article IX, Constitution of 1963, and the act and the school district shall give a receipt therefor and repay the loan in the manner provided in the act for the repayment of loans.

The method of processing loans to school districts under amended Sections 6 and 7 before default in payment of principal or interest is adequately spelled out in those sections and no additional comment from me is necessary. Your real concern is in regard to the applicable procedures which you should follow in the situation where the school district has defaulted in the payment of principal or interest on its bonds and the bond or bonds and the interest coupons have not been paid when due by the paying agent because of lack of funds. In the event of such a happening it is assumed for the purposes of this opinion that the holder of the bond or of the interest coupon will make demand on you as state treasurer for the prompt payment of the obligation thereunder. Should such demand be made on you as state treasurer, you would be entitled to take the following action before making payment:

a. Ascertaining from the superintendent of public instruction or from the records in your own office that the bonds involved are duly qualified bonds as defined and described in amended Section 3 of the act;

b. Requiring proof reasonably satisfactory to you that the bond or bonds or the interest coupons have been properly presented for payment to the paying agent or officer charged with the responsibility for making payment thereof and that payment has been refused because sufficient monies had not been deposited by the school district for that purpose; such proof of nonpayment may be furnished you in the form of a certificate from the paying agent.

---

[3]Article VIII, Section 3, Constitution of 1963 requires the state board of education to appoint a superintendent of public instruction who shall be the principal executive officer of the department of education and who shall have powers and duties provided by law. Section 14 of Act 287, P.A. 1964 (M.S.A. 1965 Cum. Supp. § 15.1023(14)) specifies that after June 30, 1965, a reference in any law to the powers and duties of the superintendent of public instruction shall be deemed to be made to the state board of education, subject to exceptions not pertinent here, and that the state board of education may delegate any of its functions to the superintendent. Section 300 of Act 380, P.A. 1965, creates a department of education. Section 301 of that act provides that the head of the department of education is the state board of education. Section 303 of that act transfers by a Type III transfer all powers, duties and functions then vested by law in the superintendent of public instruction to the department of education. Section 305 of the act specifies that the principal executive officer of the department of education is the superintendent of public instruction. Act 380 appears in M.S.A. 1965 Cum. Supp. at § 3.29(1) et seq. Act 380, P.A. 1965, was amended without regard to the sections involved here by Act 407, P.A. 1965. Without doubt, under the foregoing provisions the state board of education could delegate to the superintendent of public instruction the performance of all of the functions and duties imposed on the board in connection with the School Bond Loan Fund.

[4]Other details set forth in amended Section 6 have been omitted.

[5]Other details set forth in amended Section 7 have been omitted.

c. Notification to the school district given by you or your designee of the action taken by paying agent in refusing payment of the bonds or interest coupons on presentment because of the failure of the school district to have deposited funds with the paying agent for that purpose and verification from the school district of the fact of such failure to supply the required funds; notification to the school district by you or your designee that payment of the required amounts were to be made from the school bond loan fund by you as state treasurer and that such payment would be in the form of a loan to the school district which the school district would be required to be repay to the school bond loan fund in the manner required by law; the school district will be required to furnish you as state treasurer with a receipt evidencing the loan and specifying the terms of repayment, as required by law.

Upon the fulfillment of the above conditions in a manner reasonably acceptable to you, you would be authorized to make payment of the amounts due on the bonds and interest coupons and thereupon to demand their surrender and delivery to you as state treasurer.

Because of the safeguards built into the Michigan Constitution and statutes there should be no default of Michigan qualified school bonds. The School Loan Fund Program will have afforded the school district access to loan funds prior to the due date of the principle [sic] and interest on such bonds. In order to advise of the procedures in the remote possibility of nonpayment, however, I have set forth the foregoing guide lines [sic].

FRANK J. KELLEY,
Attorney General

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APPENDIX B[1]

BYRON CENTER PUBLIC SCHOOLS

GENERAL FINANCIAL, ECONOMIC AND SCHOOL INFORMATION

LOCATION AND AREA

Byron Center Public Schools (the "School District") occupies an area of 40.4 square miles in the central portion of Michigan's Lower Peninsula, encompassing the majority of the Township of Byron, a portion of the Township of Gaines, and a small portion of the City of Wyoming in Kent County, and a small portion of Dorr Township in Allegan County.

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

15 miles south of Grand Rapids
38 miles north of Kalamazoo
80 miles west of Lansing
127 miles northwest of Ann Arbor
167 miles northwest of Detroit

POPULATION

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

	School District	Township of Byron	County of Kent
2023 Estimate	29,405	27,274	658,844
2020 U.S. Census	28,138	26,927	657,974
2010 U.S. Census	21,796[1]	20,317	606,622

[1]Based upon an extrapolation of the figures of the local units within the School District.
Source: U.S. Census Bureau via data.census.gov website

BOARD OF EDUCATION

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

ENROLLMENT

Historical Enrollment

Historical fall enrollment for the School District is as follows:

School Year End 30-Jun	Full-time Equivalent	Change	School Year End 30-Jun	Full-time Equivalent	Change
2026*	4,540	-0.48%	2021	4,287	1.08%
2025	4,562	1.27	2020	4,241	2.02
2024	4,505	1.76	2019	4,157	4.71
2023	4,427	0.00	2018	3,970	1.53
2022	4,427	3.27	2017	3,910	--

*Unaudited.

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

2025/2026 Fall Count*

Kindergarten	389	7th	342
1st	308	8th	376
2nd	339	9th	338
3rd	314	10th	353
4th	379	11th	326
5th	343	12th	352
6th	381	Total	4,540

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

SCHOOL DISTRICT FACILITIES

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

Facility	Grades Served	Year Built	Last Remodel/Additions	Type of Construction
Elementary Schools:				
Brown	K - 4	1962	2022	Brick
Countryside	K - 4	2004	--	Brick/Metal
Heritage	K - 4	1966	2024	Brick
Marshall	K - 4	1997	2022	Brick
Intermediate School:				
Nickels	5 - 6	2023	--	Brick
Middle School:				
West Byron Center	7 - 8	2004	2022	Brick
High School:				
Byron Center	9 - 12	1995	2022	Brick
Other Facilities:				
Administrative Offices	--	2007	2022	Brick
Early Childhood Center	PK	1954	2022	Brick
District Services	--	1954	2023	Brick

OTHER SCHOOLS

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

Name of School	Grades Served	Approximate Enrollment
Byron Center Charter School	K - 12	245
Byron Center Christian School	PK - 8	641
Zion Christian School	PK - 12	311
		1,197

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	$47,037,508[3]	4,541.49[3]	$10,357[3]
2025	9,608	48,295,857	4,555.17	10,602
2024	9,608	49,404,843	4,496.77	10,987
2023	9,150	44,976,227	4,427.45	10,158
2022	8,700	38,461,212	4,412.67	8,716
2021	8,293	35,960,602	4,245.22	8,471

[1]Includes payments received for MPSERS UAAL rate stabilization. See "RETIREMENT PLAN - Contribution to MPSERS" herein.
[2]Represents the "Total State Aid Payments" divided by the "Blended Pupil Count".
[3]Preliminary estimate, subject to change.
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 Departments.

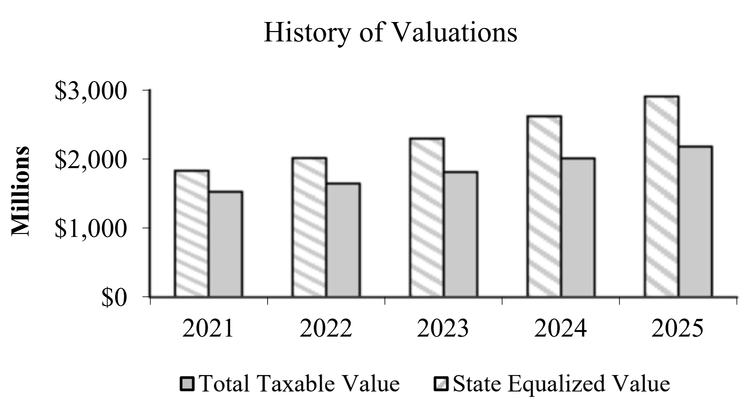
History of Valuations

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	$1,616,155,064	$563,084,595	$2,179,239,659	8.45%	$2,908,052,845	10.98%
2024	1,486,952,332	522,470,635	2,009,422,967	11.05	2,620,329,700	14.11
2023	1,348,166,831	461,240,851	1,809,407,682	10.11	2,296,328,800	14.00
2022	1,235,900,635	407,324,448	1,643,225,083	7.95	2,014,258,800	10.22
2021	1,144,069,407	378,201,572	1,522,270,979	----	1,827,435,530	----

[1]All industrial personal property is included in the principal residence tax base. While commercial personal property continues to be included in the non-principal residence tax base, it is exempt from 12 of the 18 operating mills levied on non-principal residence property only. In 2025, industrial personal property had a taxable value of $17,611,203 and commercial personal property had a taxable value of $65,884,180 in the School District.

Source: Kent and Allegan Counties Equalization Departments



Annual Equivalent Valuation

A summary of the 2025 valuation is as follows:

2025 Taxable Value	$2,179,239,659
Plus: 2025 Equivalent IFT Taxable Value[1]	5,292,585
Total 2025 Equivalent Taxable Value	$2,184,532,244
Less: 2025 Disabled Veterans Exemption Taxable Value[2]	(2,117,960)
Net 2025 Annual Equivalent Valuation	$2,182,414,284

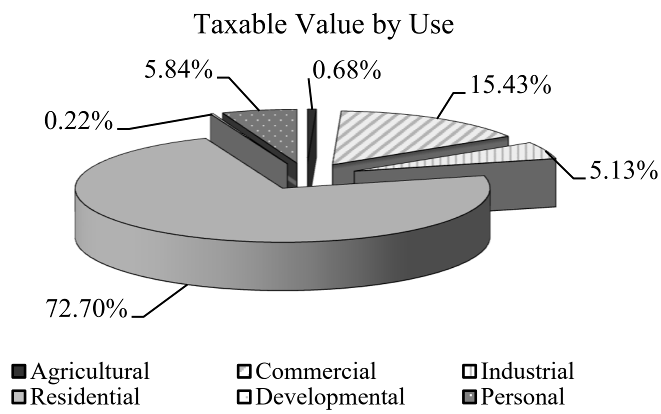
[1]See "INDUSTRIAL FACILITY TAX ABATEMENTS" herein.
[2]Represents value which is exempt from taxes pursuant to Michigan's General Property Tax Act Section 7b, MCL 211.7b, which states real property used and owned as a homestead by either (1) a disabled veteran who was discharged from the United States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

Source: Kent and Allegan Counties Equalization Departments

Tax Base Composition

A breakdown of the School District's 2025 Taxable Value by class and use is as follows:

By Class:	2025 Taxable Value	Percent of Total
Real Property	$2,051,981,476	94.16%
Personal Property	127,258,183	5.84
TOTAL	$2,179,239,659	100.00%
By Use:		
Agricultural	$14,859,570	0.68%
Commercial	336,342,369	15.43
Industrial	111,809,557	5.13
Residential	1,584,332,124	72.70
Developmental	4,637,856	0.22
Personal	127,258,183	5.84
TOTAL	$2,179,239,659	100.00%



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

Municipality	2025 Taxable Value	Percent of Total
County of Kent		
Byron Township	$1,820,658,708	83.55%
Gaines Township	288,256,317	13.23
City of Wyoming	70,196,238	3.21
County of Allegan		
Dorr Township	128,396	0.01
TOTAL	$2,179,239,659	100.00%

Source: Kent and Allegan Counties Equalization Departments

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 $10,585,169, 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 and Allegan Counties Equalization Departments

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
The BLVD at Wilson Crossings	Apartments	$33,047,100
Tanger Grand Rapids LLC	Outlet Shopping Mall	26,618,306
DTE Energy Company	Utility	23,241,000
Consumers Energy	Utility	20,168,083
BH JV Grand Rapids LLC	Healthcare	14,910,500
Market Development Corp	Grocery Warehousing	14,770,271
Huron Development	Apartments	12,742,161
SpartanNash (part of C&S Wholesale Grocers, LLC)*	Food Distributor & Grocery Store Retailer	12,398,203
The Oaks at Byron Center	Assisted Living Facility	10,458,798
Core West Michigan Industrial LLC	Distribution Warehouse	8,710,264
TOTALS		$177,064,686
Total 2025 Taxable Value		$2,179,239,659
Top 10 Taxpayers as a % of 2025 Total Taxable Value		8.13%

*SpartanNash was acquired by C&S Wholesale Grocers, LLC on September 22, 2025. It continues to operate under the SpartanNash name as part of the C&S family of companies.
Source: Kent and Allegan Counties Equalization Departments

CONSTITUTIONAL MILLAGE ROLLBACK

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

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

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

	2025	2024	2023	2022	2021
Operating – Voted	18.0000	18.0000	18.0000	18.0000	18.0000
Debt	7.0000	7.0000	7.0000	7.0000	7.0000
Building and Site Sinking Fund	0.9619	0.9694	0.9694	0.9694	0.9746
Total Non-Principal Residence	25.9619	25.9694	25.9694	25.9694	25.9746
Total Principal Residence	7.9619	7.9694	7.9694	7.9694	7.9746

The School District levies voted operating millage on non-principal residence property and sinking fund millage and authorized debt millage on all taxable property within the School District. The voted operating and sinking fund millages both expire 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
Kent County	6.0037	6.0494
Township of Byron	0.7100	0.7100
Township of Gaines	0.8012	0.8048
City of Wyoming	13.0826	13.1493
Kent ISD[1]	5.3515	5.4020
Grand Rapids Community College	1.6793	1.6951
Kent District Library	1.0832	1.1000

[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 $1,598,147 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 in the City of Grand Rapids and July 1 and December 1 of each fiscal year in the other municipalities. Taxes are payable without interest or penalty on or before the following July 31 in the City of Grand Rapids and without interest on or before the following September 14 and February 14, respectively, in the other municipalities and without penalty on or before the following February 14 in the other municipalities. All real property taxes remaining unpaid on March 1st of the year following the levy are turned over to the County Treasurer for collection. Kent County (the "County") annually pays from its Delinquent Tax Revolving Fund delinquent taxes on real property to all taxing units in the County, including the School District, shortly after the date delinquent taxes are returned to the County Treasurer for collection.

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

Levy Year	Operating Tax Levy	Collections to March 1, Each Year		Collections Plus Funding to June 30, Each Year	
2025	$10,289,913*	In Process of Collections		N/A	
2024	9,395,498	$9,150,558	97.39%	$9,309,971	99.09%
2023	8,122,764	8,084,603	99.53	8,122,764	100.00
2022	7,329,770	7,169,536	97.81	7,285,022	99.39
2021	6,684,247	6,670,866	99.80	6,684,247	100.00
2020	6,542,133	6,470,089	98.90	6,531,423	99.84

*Estimated.

RETIREMENT PLAN

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

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

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

Contribution to MPSERS

The School District's estimated annual contribution to MPSERS for the 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 MPSERS Direct Offset Payments[2]
2026[1]	$13,463,000	$590,000	$14,053,000	$4,758,761
2025	11,770,180	590,602	12,360,782	3,729,250
2024	11,240,349	2,282,927	13,523,276	5,182,749
2023	9,425,549	2,077,915	11,503,464	7,022,620
2022	8,831,980	1,999,036	10,831,016	4,029,466

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

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The School District implemented GASB 68 in its year ended June 30, 2015 financial statements. In its June 30, 2025 financial statements, the School District reported a proportionate share of the net pension liability of $65,553,276 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 $11,760,947 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 D.

Source: Audited Financial Statements and School District

LABOR RELATIONS

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

Employee Group	No. of Employees	Affiliation	Exp. Date of Contract
Administrators	19	Non-Affiliated	N/A
Teachers & Counselors	269	MEA	08/10/27
Secretaries	29	Non-Affiliated	N/A
Transportation	39	Non-Affiliated	N/A
Food Service	27	Non-Affiliated	N/A
Playground Supervisors	30	Non-Affiliated	N/A
Technical Support	5	Non-Affiliated	N/A
Supervisors / Directors	10	Non-Affiliated	N/A
Para-Educators / Aides	95	Non-Affiliated	N/A
Central Office Support	12	Non-Affiliated	N/A
Early Childhood Programs	27	Non-Affiliated	N/A
Maintenance/Grounds	8	Non-Affiliated	N/A
Community Programs	8	Non-Affiliated	N/A
TOTAL	578		

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

DEBT STATEMENT* - (As of 02/10/26 – including the Bonds described herein)

DIRECT DEBT:

Dated Date	Purpose	Bond Type	Final Maturity	Principal Outstanding
06/28/17	Building & Site, Series I	UTQ	05/01/47	$49,960,000
10/30/19	Refunding	UTQ	05/01/30	10,100,000
02/05/20	Refunding	UTQ	05/01/31	9,005,000
06/29/20	Building & Site, Series I	UTQ	05/01/50	44,790,000
05/12/21	Refunding	UTQ	05/01/33	9,790,000
03/22/22	School Technology & Bus, Series II	UTQ	05/01/28	2,185,000
05/16/23	Building & Site, Series II	UTQ	05/01/53	20,405,000
__/__/26	Building & Site, Series I	UTQ	05/01/55	46,835,000*
NET DIRECT DEBT				$193,070,000*

OVERLAPPING DEBT:

Percent Share	Municipality	Net Debt	District's Share	
2.24%	Wyoming City	$0	$0	
95.18	Byron Township	0	0	
0.03	Dorr Township	1,128,000	338	
19.00	Gaines Township	26,419	5,020	
0.00	Allegan County	17,957,395	0	
6.01	Kent County	58,454,544	3,513,118	
5.80	Kent ISD	0	0	
5.81	Grand Rapids Comm. Coll.	16,175,000	939,768	
TOTAL OVERLAPPING DEBT				4,458,244
NET DIRECT AND OVERLAPPING DEBT				$197,528,244*

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

SCHOOL LOAN REVOLVING FUND (SLRF) PROGRAM

The School District had a SLRF balance of $18,846,460 as of February 10, 2026.

OTHER DEBT

The School District has no short-term borrowing outstanding.

DEBT HISTORY

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

FUTURE FINANCING

The School District does not have plans for additional capital financings in the next 12 months. Following the issuance of the Bonds described herein, the School District will have approximately $69,700,000* of remaining voted authorization that is expected to be issued in 2028.

*Preliminary, subject to change.

DEBT RATIOS*

Estimated School District Population	29,405
2025 Taxable Value	$2,179,239,659
2025 State Equalized Value (SEV)	$2,908,052,845
2025 True Cash Value (TCV)	$5,816,105,690
Per Capita 2025 Taxable Value	$74,111.19
Per Capita 2025 State Equalized Value	$98,896.54
Per Capita 2025 True Cash Value	$197,793.09
Per Capita Net Direct Debt	$6,565.89
Per Capita Net Direct and Overlapping Debt	$6,717.51
Percent of Net Direct Debt of 2025 Taxable Value	8.86%
Percent of Net Direct and Overlapping Debt of 2025 Taxable Value	9.06%
Percent of Net Direct Debt of 2025 SEV	6.64%
Percent of Net Direct and Overlapping Debt of 2025 SEV	6.79%
Percent of Net Direct Debt of 2025 TCV	3.32%
Percent of Net Direct and Overlapping Debt of 2025 TCV	3.40%

*Preliminary, subject to change.

LEGAL DEBT MARGIN* - (As of 02/10/26 – including the Bonds described herein)

2025 State Equalized Value		$2,908,052,845
Legal Debt Limit - 15% of SEV		$436,207,926
Total Bonded Debt Outstanding	$193,070,000	
Less: SLRF Qualified Bonds[1]	(193,070,000)	
Net Amount Subject to Legal Debt Limit		0
LEGAL DEBT MARGIN AVAILABLE		$436,207,926

*Preliminary, subject to change.

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

EMPLOYMENT CHARACTERISTICS

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

Employer	Product or Service	Approx. No. of Employees
Within the School District		
M & K Truck Centers (HQ)	Heavy & Medium Duty Trucks	1,000
SpartanNash (part of C&S Wholesale Grocers, LLC)[1]	Food Distributor & Grocery Store Retailer	600
Byron Center Public Schools	Education	578
Mayville Engineering Co., Inc. (HQ)	Contract Manufacturing	270
Bay Logistics, Inc. (HQ)	Logistics Services	230
Atlas Molded Products	Polystyrene - Expandable, Plastics & Resins	200
Lumbermen's, Inc.	Countertops Manufacturer	125
Grand Rapids Chair Co.	Chairs, Barstools & Tables	151
G & T Industries	Foam Marine Interiors	110
Gypsum Supply Company	Building Materials	100
Applied Textiles	Fabric Finishing	100
Flow-Rite Controls	Battery Charging Equipment	100
New Life Transportation Parts Center	Distributor/Truck Parts	100
People Driven Technology, Inc. (HQ)	Cybersecurity Services	100
Within the County of Kent		
Corewell Health (formerly Spectrum Health)	Healthcare	25,000
Meijer, Inc. (HQ)	Retail & Grocery	10,340
Trinity Health Grand Rapids	Healthcare	8,500
Gordon Food Service (HQ)	Wholesale Food Products	5,000
Alticor, Inc. (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 Accessories Manufacturer	3,000
Amazon Fulfillment Center	Ecommerce / Distribution Center	2,500
Hope Network	Healthcare	2,162
Hearthside Food Solutions, LLC (4 locations)	Cookies, Snacks & Cereal	2,124
County of Kent	Government	1,943
Gerald R. Ford International Airport[2]	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
Kentwood Public Schools	Education	1,512
GE Aviation Systems, LLC	Aerospace Company	1,300
Davenport University	Education	1,262
Ventra Grand Rapids 5, LLC	Automotive Components & Assemblies	1,200

[1]SpartanNash was acquired by C&S Wholesale Grocers, LLC on September 22, 2025. It continues to operate under the SpartanNash name as part of the C&S family of companies.
[2]In addition to the persons employed directly by the Airport Authority, the figure shown includes persons employed by airlines, TSA, rental car facilities, concessionaires, as well as other facilities at the Airport.
Source: 2025 Michigan Manufacturers Directory, MEDC website via www.michiganbusiness.org, and individual employers

EMPLOYMENT BREAKDOWN

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

	Township of Byron		County of Kent	
	Number	Percent	Number	Percent
PERSONS BY OCCUPATION	13,259	100.00%	343,812	100.00%
Management, Business, Science & Arts	5,428	40.94	144,490	42.03
Service	1,728	13.03	49,452	14.38
Sales & Office	2,735	20.63	68,858	20.03
Natural Resources, Construction & Maintenance	895	6.75	22,769	6.62
Production, Transportation & Material Moving	2,473	18.65	58,243	16.94

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

	Township of Byron		County of Kent	
	Number	Percent	Number	Percent
PERSONS BY INDUSTRY	13,259	100.00%	343,812	100.00%
Agriculture, Forestry, Fishing, Hunting & Mining	23	0.18	2,356	0.68
Construction	796	6.00	18,946	5.51
Manufacturing	2,523	19.03	64,420	18.74
Wholesale Trade	552	4.16	11,851	3.45
Retail Trade	1,757	13.25	38,159	11.10
Transportation, Warehousing & Utilities	893	6.74	14,541	4.23
Information	82	0.62	4,161	1.21
Finance, Insurance & Real Estate	691	5.21	20,370	5.92
Professional, Scientific & Management Services	1,537	11.59	38,980	11.34
Educational, Health & Social Services	2,588	19.52	80,854	23.52
Arts, Entertainment, Recreation & Food Services	937	7.07	27,217	7.92
Other Services except Public Administration	690	5.20	15,049	4.38
Public Administration	190	1.43	6,908	2.00

UNEMPLOYMENT

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

Annual Average	County of Kent	State of Michigan
November, 2025	3.9%	4.8%
2024	3.9	4.7
2023	3.3	3.9
2022	3.5	4.2
2021	4.7	5.7

POPULATION BY AGE

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

	Township of Byron		County of Kent	
	Number	Percent	Number	Percent
Total Population	27,274	100.00%	658,844	100.00%
0 through 19 years	8,773	32.17	173,667	26.36
20 through 64 years	14,333	52.55	389,693	59.15
65 years and over	4,168	15.28	95,484	14.49
Median Age	39.0 years		35.7 years	

INCOME

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

	Township of Byron		County of Kent	
	Number	Percent	Number	Percent
HOUSEHOLDS BY INCOME	9,440	100.00%	254,860	100.00%
Less than $ 10,000	329	3.49	9,601	3.77
$ 10,000 to $ 14,999	104	1.11	7,978	3.13
$ 15,000 to $ 24,999	239	2.53	14,650	5.75
$ 25,000 to $ 34,999	599	6.35	16,186	6.35
$ 35,000 to $ 49,999	952	10.08	27,541	10.81
$ 50,000 to $ 74,999	1,608	17.03	42,716	16.76
$ 75,000 to $ 99,999	1,234	13.07	36,531	14.33
$100,000 to $149,999	1,895	20.07	50,038	19.63
$150,000 to $199,999	1,281	13.57	24,167	9.48
$200,000 or MORE	1,199	12.70	25,452	9.99
Median Income	$91,486		$80,390	

APPENDIX C

GENERAL FUND BUDGET SUMMARY AND COMPARATIVE FINANCIAL STATEMENTS

Byron Center Public Schools
General Fund Budget Summary

	As Amended 2025/26
Revenues	
Local Sources	$11,176,297
State Sources	50,027,577
Federal Sources	1,237,210
Incoming Transfers & Other Transactions	5,898,540
Total Revenues	$68,339,624
Expenditures	
Instruction	
Basic Program	$35,767,448
Added Needs	6,636,154
Support Services	
Pupil	4,628,100
Instructional Staff	1,455,093
General Administration	785,800
School Administration	3,485,543
Business Services	1,162,438
Operation & Maintenance	5,474,610
Pupil Transportation	3,280,516
Central Services	1,948,604
Athletics	2,088,560
Community Services	255,309
Outgoing Transfers & Other Transactions	183,628
Total Expenditures	$67,151,803
Excess of Expenditures (over) under Revenues	$1,187,821
Beginning Fund Balance - July 1	$18,585,191
Projected Fund Balance - June 30	$19,773,012

Source: School District

Byron Center Public Schools
General Fund

Comparative Balance Sheet

	For Fiscal Years Ended June 30th		
	2023	2024	2025
Assets			
Cash Equivalents & Investments	$12,399,785	$14,165,646	$16,919,113
Cash	--	--	700
Accounts Receivable	2,424	25,366	10,410
Due from Other Governmental Units	8,706,385	9,664,292	8,883,402
Due from Other Funds	2,519	1,643	212
Prepaid Expenses	6,297	352,412	1,500
Total Assets	$21,117,410	$24,209,359	$25,815,337
Liabilities			
Accounts Payable	$971,459	$538,935	$277,383
Due to Other Funds	102,107	33,887	30,789
Due to Other Governmental Units	2,522,038	2,144,190	1,873,151
Salaries Payable	2,093,336	2,210,886	2,632,179
Unearned Revenue	1,014,548	2,539,194	2,416,644
Total Liabilities	$6,703,488	$7,467,092	$7,230,146
Fund Balances			
Nonspendable	$6,297	$352,412	$1,500
Committed	2,539,327	2,389,327	1,672,527
Assigned	386,396	206,833	206,833
Unassigned	11,481,902	13,793,695	16,704,331
Total Fund Balances	$14,413,922	$16,742,267	$18,585,191
Total Liabilities and Fund Balances	$21,117,410	$24,209,359	$25,815,337

Source: Audited Financial Statements

Byron Center Public Schools
General Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

	For Fiscal Years Ended June 30th		
	2023	2024	2025
Revenues			
Local Sources	$8,446,968	$9,447,970	$10,584,255
Non-Educational Entity Sources	15,857	--	--
State Sources	44,794,759	46,980,742	47,881,148
Federal Sources	3,271,483	3,632,852	1,337,756
Interdistrict Sources	4,577,321	4,910,014	5,405,807
Other Transactions	999	--	--
Total Revenues	$61,107,387	$64,971,578	$65,208,966
Expenditures			
Instruction	$39,448,819	$39,594,970	$39,290,423
Supporting Services	19,727,948	22,294,189	23,760,770
Community Service	150,900	164,861	284,109
Payments to Other Governmental and and Not-for-Profit Entities	57,600	28,800	57,600
Facilities Acquisition, Construction and Improvements	101,712	272,988	--
Debt Service			
Principal Repayment	--	32,688	34,241
Interest and Fiscal Charges	--	5,169	3,618
Total Expenditures	$59,486,979	$62,393,665	$63,430,761
Excess of Revenues Over (Under) Expenditures	$1,620,408	$2,577,913	$1,778,205
Other Financing Sources (Uses)			
Operating Transfers Out	($267,018)	($299,276)	($172,306)
Operating Transfers In	--	--	125,000
Other Transactions	--	884	112,025
Inception of Subscription-based IT Arrangements	140,367	40,904	--
Proceeds from Sale of Capital Assets	5,550	7,920	--
Total Other Financing Sources (Uses)	($121,101)	($249,568)	$64,719
Net Change in Fund Balance	$1,499,307	$2,328,345	$1,842,924
Fund Balance - Beginning	$12,914,615	$14,413,922	$16,742,267
Fund Balance - Ending	$14,413,922	$16,742,267	$18,585,191

Source: Audited Financial Statements

APPENDIX D

AUDITED FINANCIAL STATEMENTS

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

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INDEPENDENT AUDITOR'S REPORT

October 20, 2025

The Board of Education
Byron Center Public Schools

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 Byron Center Public Schools as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Byron Center Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Byron Center Public Schools, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 Byron Center 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 Byron Center Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Byron Center Public Schools' basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We have previously audited, 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, Byron Center Public Schools' basic financial statements as of and for the year ended June 30, 2024, which are not presented with the accompanying financial statements. In our report dated October 9, 2024, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming statements as a whole. The combining and individual nonmajor fund financial statements and schedules for the year ended June 30, 2024, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the June 30, 2024 basic financial statements. The information was subject to the audit procedures applied in the audit of those 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 June 30, 2024 combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

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 Byron Center 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 Byron Center 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 Byron Center Public Schools' internal control over financial reporting and compliance.

Hungerford

Certified Public Accountants
Grand Rapids, Michigan

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Byron Center Public Schools ("the District"), we provide readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of four parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District:

- The first two statements, the Statement of Net Position and the Statement of Activities, are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
    - *Governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
    - *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The Basic Financial Statements also include Notes to Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data; Required Supplementary Information includes pension and OPEB information schedules; Other Supplementary Information follows and includes combining and individual fund statements and schedules.

District-wide Statements

The district-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position, and how they have changed. Net position – the difference between the District's assets, and deferred outflows of resources, and liabilities, and deferred inflows of resources – is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the District's overall health, one should consider additional non-financial factors such as changes in the District's property tax-base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are presented as follows:

- *Governmental activities*: The District's basic services are included here, such as regular and special education, instructional support, transportation, administration, community services, food service, and athletics. State aid and property taxes finance most of these activities.

Condensed District-wide Financial Information

The Statement of Net Position provides financial information on the District as a whole.

	2025	2024
Assets		
Current assets	$ 47,725,108	$ 52,154,611
Net capital assets	183,751,575	189,782,738
Net OPEB asset	11,760,947	1,472,419
Total Assets	**243,237,630**	**243,409,768**
Deferred Outflows of Resources	**26,051,028**	**32,017,331**
Liabilities		
Current liabilities	18,576,765	19,215,061
Long-term liabilities	176,570,098	182,127,308
Net pension liability	65,553,276	83,793,396
Total Liabilities	**260,700,139**	**285,135,765**
Deferred Inflows of Resources	**33,165,742**	**20,014,419**
Net Position		
Net investment in capital assets	10,301,113	14,088,018
Restricted	10,581,885	10,102,531
Unrestricted (deficit)	(45,460,221)	(53,913,634)
Total Net Position	**$ (24,577,223)**	**$ (29,723,085)**

The results of the fiscal year's operations for the District as a whole are presented in the Statement of Activities, which shows the change in total net position for the year:

	2025	2024
Program Revenues		
Charges for services	$ 3,471,237	$ 3,432,908
Operating grants	24,279,044	24,416,278
General Revenues		
Property taxes	25,398,037	22,544,118
State school aid, unrestricted	33,692,771	34,360,208
Interest and investment earnings	1,397,024	2,102,267
Other	1,459,215	2,685,469
Total Revenues	89,697,328	89,541,248
Expenses		
Instruction	49,663,643	21,009,398
Supporting services	21,988,336	40,730,320
Community services	2,870,038	2,645,905
Food service	3,582,401	3,205,356
Interest on long-term debt	6,389,448	7,619,178
Other	57,600	59,232
Total Expenses	84,551,466	75,269,389
Change in Net Position	5,145,862	14,271,859
Net Position, Beginning of Year	(29,723,085)	(43,994,944)
Net Position, End of Year	**$ (24,577,223)**	**$ (29,723,085)**

Financial Analysis of the District as a Whole

Total revenues exceeded expenses by $5.15 million on the Statement of Activities, increasing total net position from a deficit of $29,723,085 at June 30, 2024 to a deficit of $24,577,223 at June 30, 2025. Unrestricted net position increased by $8,453,413, to a deficit of $45,460,221 at June 30, 2025. The District's net pension liability, including deferred outflows and inflows of resources, decreased by $4,876,272 during the fiscal year, and its net OPEB asset, including deferred outflows and inflows of resources, decreased by $4,564,660.

The District's financial position is the product of various financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation and amortization of capital assets. A large portion of the District's net position reflects investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress); less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, they are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's total revenues increased by 0.2% to $89.7 million. Property taxes and unrestricted State aid accounted for most of the District's revenue, contributing about 65.9% of the total revenue. Another 27.1% came from state and federal aid for specific programs and the remaining 7.0% from fees charged for services, interest earnings, and other local sources.

The total cost of all programs increased by 12.3% to $84.6 million. The District's expenses are predominantly related to instruction (58.7%) and supporting services (26.0%), which includes various functions such as caring for (pupil services) and transporting students, adminstrative services, and operation and maintenance services.

- The table below reflects the District's student F.T.E. (full time equivalent) increases over the last 24 years.

September	Increase Student FTE	*Percentage Increase*
2001	126	5.0%
2002	154	5.8%
2003	92	3.4%
2004	138	4.8%
2005	70	2.3%
2006	74	2.4%
2007	21	0.7%
2008	23	0.7%
2009	85	2.6%
2010	76	2.2%
2011	90	2.6%
2012	100	2.8%
2013	141	3.8%
2014	2	0.0%
2015	96	2.5%
2016	70	1.8%
2017	59	1.5%
2018	188	4.7%
2019	84	2.0%
2020	46	1.1%
2021	140	3.3%
2022	0	0.0%
2023	79	1.8%
2024	57	1.2%

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

The District utilizes two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, a reconciliation is provided in separate statements explaining the relationship (or differences) between them.

- *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others, such as Private Purpose Scholarship Fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District's Funds

The District uses funds to record and analyze financial information. Byron Center Public School's funds are described as follows:

Major Funds

General Fund
The General Fund is the District's primary operating fund. The General Fund had total revenues of $65,208,966, other financing sources of $237,025, total expenditures of $63,430,761, and other financing uses of $172,306. The ending fund balance was $18,585,191 at June 30, 2025, up from $16,742,267 at June 30, 2024.

Capital Projects Funds
The District has two major Capital Projects Funds; The Building and Site Sinking and the 2023 Construction Capital Projects funds. The funds had total revenues of $2,476,755 and total expenditures of $4,940,590. The major Capital Projects Funds had total ending fund balances of $12,530,449 at June 30, 2025, down from $14,994,284 at June 30, 2024.

Nonmajor Funds

Special Revenue Funds
The District operated three Special Revenue Funds during the fiscal year: the Food Service, Community Service, and Student/School Activity funds. The funds had total revenue of $7,584,944, total other financing sources of $172,306, total expenditures of $7,702,191, and total other financing uses of $125,000. The Special Revenue Funds had total ending fund balances of $5,469,229 at June 30, 2025, down from $5,539,170 at June 30, 2024. Of the ending fund balances $892,031 is attributed to the Food Service Fund, $3,755,088 is attributed to the Community Service Fund, and $822,110 is attributed to the Student/School Activity Fund.

Debt Service Funds
The District operates seven Debt Service Funds. The funds had total revenues of $14,215,989, total other financing sources of $463,944 (consisting of proceeds from the School Bond Loan Fund), and total expenditures of $14,547,869. The Debt Service Funds had total ending fund balances of $261,882 at June 30, 2025, up from $129,818 at June 30, 2024.

Capital Projects Fund
There are four nonmajor Capital Projects Funds incorporated into the financial statements of the District. The funds had total revenues of $105,623 and total expenditures of $2,720,112. The Capital Projects Funds had total ending fund balances of $3,037,169 at June 30, 2025, down from $5,651,658 at June 30, 2024.

Fiduciary Funds

Custodial Fund
The Scholarship Funds are operated as a Fiduciary Fund of the District. The assets of these funds are being held for the benefit of the District's students. The Scholarship Fund balance at June 30, 2025 and 2024 was $13,707 and $13,093, respectively.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget on three (3) separate occasions. The budget amendments were a result of the following:

- The first budget revision in December 2024 reflected the actual student count and staffing costs based upon actual data in lieu of assumptions. As with all "first" revisions, the assumptions are now supported by factual staffing positions which were unknown at the July 1st budget adoption. The District also adjusted the budget to account for federal funding, state grants, and amounts for local special education.

- The second budget revision in March 2025, refined State Aid revenue, local regional revenue, grants awarded, and the sale of assets. On the expenditure side, the budget was revised for the effects of open enrollment for insurance plans, repairs and maintenance, and expenditures related to awarded grants.

- The third budget revision in June 2025 again refined State Aid revenue, federal revenue, local property tax collections from our three major governmental units, and local regional revenue. On the expenditure side, the refinement of outflows was reviewed and projected.

- This particular year it was determined only three (3) budget revisions were necessary.

Capital Asset and Debt Administration

By the end of 2025, the District had invested $271.5 million in a broad range of capital assets, including land, school buildings, athletic facilities, vehicles, and administrative offices. (More detailed information about capital assets can be found in Note E in the Notes to Basic Financial Statements.) Total depreciation and amortization expense for the year was $11.85 million.

At June 30, 2025, the District's investment in capital assets and construction in progress (net of accumulated depreciation and amortization), which decreased by approximately $6.0 million from the previous year-end, is detailed as follows:

Land	$ 7,266,787
Construction in progress	998,207
Land improvements	4,946,567
Buildings and additions	163,954,793
Furniture and equipment	4,848,962
Vehicles	1,612,122
Subscription-based IT arrangements	124,137
Net Capital Assets	$ 183,751,575

Long-term Obligations

At year end, the District had total long-term obligations totaling $186.2 million, including $146.2 million of general obligation bonds. (More detailed information about long-term debt can be found in Note F in the Notes to Basic Financial Statements.)

- During the current year, the District borrowed $463,944 of State School Loan Revolving Fund (SLRF) and accrued interest on related debt in the amount of $771,353
- The District continued to pay down its debt, retiring $7,805,000 of outstanding bonds and loans.

The District's underlying rating on the unlimited tax bonds is AA- with a stable outlook by Standard and Poor's. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within a district's boundaries.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The District's student growth count has been beneficial the last twenty (20) years to maintain programs and staff. Student count is a variable that is difficult to predict during challenging economic times. The District utilizes an outside firm (Stanfred & Assoc.) to analyze existing student count and project future student growth for budget purposes. The District received a net 55 new students in October 2024 compared to the first count in October 2023. The District had projected no increase of students, so the increase was greater than anticipated. The enrollment is a result of an additional housing supply and quality educational programs. As a note to the reader, the growth in student count continues to support the District's "Growth and Capacity" study and act upon the student growth via additional educational space at the K-6 grades.

- During 2024-25, the District received a net of $9,608 per student in State funds in the form of a foundation allowance and local operating taxes. The deduction of $470 per pupil in fiscal year 2009-10 remains permanently deducted from the State Aid Foundation Allowance. Prior to the "resetting" Byron Center Public Schools received $7,886 per student, $1,722 per student increase during the thirteen-year period. Overall, the State Aid Foundation Allowance is not keeping pace with managed costs within the District. During the 2024-25 fiscal year the State Aid Foundation Allowance did not increase and instead remained flat.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Byron Center Public Schools, 8542 Byron Center Avenue SW, Byron Center, Michigan 49315. Contact by e-mail: mhathaway@bcpsk12.net. Contact by phone: (616) 878-6100.

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BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

BYRON CENTER PUBLIC SCHOOLS
June 30, 2025

	Governmental Activities
Assets	
Cash	$ 1,347
Cash equivalents and investments (Note B)	38,767,782
Accounts receivable	10,410
Due from other governmental units (Note C)	8,883,409
Inventory	33,016
Prepaid expenses	29,144
Capital assets not being depreciated (Note E)	8,264,994
Capital assets being depreciated and amortized, net (Note E)	175,486,581
Net OPEB asset (Note H)	11,760,947
Total Assets	243,237,630
Deferred Outflows of Resources	
Loss on advance bond refundings, net	185,340
Deferred pension amounts	22,411,901
Deferred OPEB amounts	3,453,787
Total Deferred Outflows of Resources	26,051,028
Liabilities	
Accounts payable	765,617
Due to other governmental units	1,921,153
Accrued interest payable	1,074,620
Salaries payable	2,665,397
Unearned revenue	2,489,021
Long-term liabilities (Note F):	
Due within one year	9,660,957
Due in more than one year	176,570,098
Net pension liability (Note G)	65,553,276
Total Liabilities	260,700,139

Continued on next page.

STATEMENT OF NET POSITION (Continued)

BYRON CENTER PUBLIC SCHOOLS
June 30, 2025

Deferred Inflows of Resources	
Deferred pension amounts	$ 18,165,424
Deferred OPEB amounts	15,000,318
Total Deferred Inflows of Resources	33,165,742
Net Position	
Net investment in capital assets	10,301,113
Restricted for:	
Capital projects	5,925,394
Debt service	(812,738)
Community services	3,755,088
Food service	892,031
Student/school activity	822,110
Unrestricted (deficit)	(45,460,221)
Total Net Position	$ (24,577,223)

See accompanying notes to basic financial statements.

STATEMENT OF ACTIVITIES

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues Charges for Services	Program Revenues Operating Grants	Net (Expense) Revenue and Changes In Net Position
Governmental Activities				
Instruction	$ 49,663,643	$ 200	$ 18,626,508	$ (31,036,935)
Supporting services	21,988,336	305,679	2,305,432	(19,377,225)
Community services	2,870,038	2,767,825	207,646	105,433
Food service	3,582,401	397,533	3,139,458	(45,410)
Interest on long-term debt	6,389,448	-	-	(6,389,448)
Other	57,600	-	-	(57,600)
Total Governmental Activities	$ 84,551,466	$ 3,471,237	$ 24,279,044	(56,801,185)

General Revenues	
Taxes:	
Property taxes, levied for general operations	9,318,884
Property taxes, levied for debt service	14,123,280
Property taxes, levied for capital improvements	1,955,873
State school aid, unrestricted	33,692,771
Interest and investment earnings	1,397,024
Other	1,459,215
Total General Revenues	61,947,047
Change in Net Position	5,145,862
Net Position - Beginning of Year	(29,723,085)
Net Position - End of Year	$ (24,577,223)

BALANCE SHEET
GOVERNMENTAL FUNDS

BYRON CENTER PUBLIC SCHOOLS
June 30, 2025

	General	Building and Site Sinking	2023 Construction	Nonmajor	Total
Assets					
Cash	$ 700	$ -	$ -	$ 647	$ 1,347
Cash equivalents and investments (Note B)	16,919,113	6,046,413	6,623,769	9,178,487	38,767,782
Accounts receivable	10,410	-	-	-	10,410
Due from other funds (Note D)	212	-	-	84,294	84,506
Due from other governmental units (Note C)	8,883,402	-	-	7	8,883,409
Inventory	-	-	-	33,016	33,016
Prepaid expenditures	1,500	-	-	27,644	29,144
Total Assets	$ 25,815,337	$ 6,046,413	$ 6,623,769	$ 9,324,095	$ 47,809,614
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 277,383	$ 90,979	$ 13,016	$ 384,239	$ 765,617
Due to other funds (Note D)	30,789	-	-	53,717	84,506
Due to other governmental units	1,873,151	35,738	-	12,264	1,921,153
Salaries payable	2,632,179	-	-	33,218	2,665,397
Unearned revenue	2,416,644	-	-	72,377	2,489,021
Total Liabilities	7,230,146	126,717	13,016	555,815	7,925,694
Fund Balances (Note A)					
Nonspendable	1,500	-	-	60,660	62,160
Restricted	-	4,477,400	6,610,753	8,698,402	19,786,555
Committed	1,672,527	1,442,296	-	-	3,114,823
Assigned	206,833	-	-	-	206,833
Unassigned	16,704,331	-	-	9,218	16,713,549
Total Fund Balances	18,585,191	5,919,696	6,610,753	8,768,280	39,883,920
Total Liabilities and Fund Balances	$ 25,815,337	$ 6,046,413	$ 6,623,769	$ 9,324,095	$ 47,809,614

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES

Total governmental fund balances		$ 39,883,920
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is $271,468,322 and accumulated depreciation is $87,716,747.		183,751,575
Net bond refunding losses are not expensed but are amortized over the life of the new bond issue on the Statement of Activities.		185,340
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	$ (146,235,000)	
Bond premium, unamortized	(18,584,040)	
Subscription-based IT arrangements	(83,987)	
State school loan revolving fund (including accrued interest)	(18,374,999)	
Accumulated sick leave	(2,953,029)	(186,231,055)
Accrued interest on general obligation bonds is not included as a liability in governmental funds.		(1,074,620)
Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net pension liability	(65,553,276)	
Deferred outflows of resources	22,411,901	
Deferred inflows of resources	(18,165,424)	(61,306,799)
Net OPEB asset and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net OPEB asset	11,760,947	
Deferred outflows of resources	3,453,787	
Deferred inflows of resources	(15,000,318)	214,416
Total net position - governmental activities		$ (24,577,223)

See accompanying notes to basic financial statements.

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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2025

	General	Building and Site Sinking	2023 Construction	Nonmajor	Total
Revenues					
Local sources	$ 10,584,255	$ 2,108,070	$ 368,685	$ 18,559,452	$ 31,620,462
Non-educational entity sources	-	-	-	207,646	207,646
State sources	47,881,148	-	-	1,858,784	49,739,932
Federal sources	1,337,756	-	-	1,280,674	2,618,430
Interdistrict sources	5,405,807	-	-	-	5,405,807
Total Revenues	65,208,966	2,108,070	368,685	21,906,556	89,592,277
Expenditures					
Instruction	39,290,423	-	-	-	39,290,423
Supporting services	23,760,770	3	-	1,038,001	24,798,774
Food service	-	-	-	3,821,001	3,821,001
Community services	284,109	-	-	2,835,712	3,119,821
Payments to other governmental and not-for-profit entities	57,600	-	-	-	57,600
Capital outlay	-	1,720,139	3,220,448	2,720,112	7,660,699
Debt service:					
Principal repayment	34,241	-	-	7,812,106	7,846,347
Interest and fiscal charges	3,618	-	-	6,743,240	6,746,858
Total Expenditures	63,430,761	1,720,142	3,220,448	24,970,172	93,341,523
Excess (Deficiency) of Revenues Over Expenditures	1,778,205	387,928	(2,851,763)	(3,063,616)	(3,749,246)
Other Financing Sources (Uses)					
Proceeds from school bond loan fund	-	-	-	463,944	463,944
Transfers in	125,000	-	-	172,306	297,306
Transfers out	(172,306)	-	-	(125,000)	(297,306)
Other transactions	112,025	-	-	-	112,025
Total Other Financing Sources (Uses)	64,719	-	-	511,250	575,969
Net Change in Fund Balances	1,842,924	387,928	(2,851,763)	(2,552,366)	(3,173,277)
Fund Balances, Beginning of Year	16,742,267	5,531,768	9,462,516	11,320,646	43,057,197
Fund Balances, End of Year	$ 18,585,191	$ 5,919,696	$ 6,610,753	$ 8,768,280	$ 39,883,920

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2025

Net change in fund balances - total governmental funds		$ (3,173,277)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and amortization expense exceeded capital outlay in the current period:		
Capital outlay	$ 5,826,883	
Depreciation and amortization expense	(11,851,072)	(6,024,189)
In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale(s) increased financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold/retired.		(6,974)
Proceeds from the sale of bonds (including bond premiums), or loans, are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Position.		
State school loan revolving fund		(463,944)
Bond premiums are amortized over the life of the new bond issue on the Statement of Activities.		1,110,068
Losses on advanced bond refunding are amortized over the life of the new bond issue on the Statement of Activities.		(29,910)
Repayment of long-term liabilities is an expenditure in the governmental fund, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities:		
General obligation bonds	7,805,000	
Subscription-based IT arrangements	41,347	7,846,347
Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is paid.		
General obligation bonds	48,605	
State school loan revolving fund	(771,353)	(722,748)

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RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (Cont.)

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2025

In the Statement of Net Position, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of finance resources used (essentially, the amounts actually paid). This year the amount of these benefits earned exceeded the amounts used/paid.	$ (2,830,443)
The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	4,876,272
The changes in net OPEB asset and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	4,564,660
Total changes in net assets - governmental activities	$ 5,145,862

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL – GENERAL FUND

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Local sources	$ 9,578,952	$ 10,552,230	$ 10,584,255	$ 32,025
State sources	48,364,556	48,084,178	47,881,148	(203,030)
Federal sources	1,407,160	1,398,398	1,337,756	(60,642)
Interdistrict sources	5,316,944	5,571,703	5,405,807	(165,896)
Total Revenues	64,667,612	65,606,509	65,208,966	(397,543)
Expenditures				
Current:				
Instruction:				
Basic programs	35,280,738	33,067,722	32,855,483	212,239
Added needs	6,083,041	6,475,243	6,434,940	40,303
Supporting services:				
Pupil services	4,662,740	4,612,552	4,610,746	1,806
Instructional staff services	1,383,747	1,412,364	1,386,809	25,555
General administrative services	736,227	759,170	698,548	60,622
School administrative services	3,329,033	3,164,845	3,107,371	57,474
Business services	1,135,004	1,513,361	1,528,101	(14,740)
Operation and maintenance services	5,393,516	5,536,420	5,339,020	197,400
Pupil transportation services	3,216,790	3,375,675	3,274,268	101,407
Central services	1,889,943	1,865,933	1,827,897	38,036
Other supporting services	1,835,655	2,024,971	1,988,010	36,961
Community services	178,400	288,846	284,109	4,737
Payments to other governmental and not-for-profit entities	-	57,600	57,600	-
Debt service:				
Principal repayment	32,685	66,066	34,241	31,825
Interest and fiscal charges	5,165	5,565	3,618	1,947
Total Expenditures	65,162,684	64,226,333	63,430,761	795,572
Excess (Deficiency) of Revenues Over Expenditures	(495,072)	1,380,176	1,778,205	398,029
Other Financing Sources (Uses)				
Transfers in	-	125,000	125,000	-
Transfers out	(172,306)	(172,306)	(172,306)	-
Other transactions	-	80,842	112,025	31,183
Total Other Financing Sources (Uses)	(172,306)	33,536	64,719	31,183
Net Change in Fund Balances	(667,378)	1,413,712	1,842,924	429,212
Fund Balances, Beginning of Year	16,742,267	16,742,267	16,742,267	-
Fund Balances, End of Year	$ 16,074,889	$ 18,155,979	$ 18,585,191	$ 429,212

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

BYRON CENTER PUBLIC SCHOOLS
June 30, 2025

	Private Purpose Trust Fund
Assets	
Cash equivalents (Note B)	$ 13,707
Liabilities	-
Net Position	
Restricted for:	
Individuals and organizations	$ 13,707

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2025

	Private Purpose Trust Fund
Additions	
Interest earnings	$ 314
Donations	900
Total Additions	1,214
Deductions	
Endowment activities - scholarships	600
Change in Net Position	614
Net Position, Beginning of Year	13,093
Net Position, End of Year	$ 13,707

NOTES TO BASIC FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Byron Center Public Schools (the "District") was organized under the School Code of the State of Michigan and services a population of approximately 4,562 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, preschool programs, athletic activities, special education, vocational education, community services, and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District's significant accounting policies are described below.

1. Reporting Entity

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include the funds of those organizational entities for which its elected governing board is financially accountable.

2. District-wide and Fund Financial Statements

District-wide Financial Statements - The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. The District does not allocate indirect costs and, for the most part, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

The Statement of Net Position is reported on the full accrual, economic resources basis, which recognizes all long-term assets as well as all long-term debt and obligations. The District's net position is reported in three parts: investment in capital assets, net of related debt; restricted net position, and unrestricted net position.

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

Separate financial statements are provided for governmental 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. The General Fund, the Building and Site Sinking Fund, and the 2023 Construction Capital Projects Fund are the District's major funds. Nonmajor funds are aggregated and presented in a single column.

Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities, and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the district-wide level. Reconciliations between the two sets of statements are provided separately.

Revenues are recognized when susceptible to accrual, i.e., both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

Revenues susceptible to accrual are property taxes, State aid, federal and interdistrict revenues and investment income. Other revenues are recognized when received. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of the qualifying expenditures.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The State of Michigan utilizes a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenues from State sources are primarily governed by the School Aid Act and the School Code of Michigan. The state portion of the foundation is provided from the State's School Aid Fund and is recognized as revenues in accordance with State law and accounting principles generally accepted in the United States of America.

Governmental Funds

Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use, and balances of a school district's expendable financial resources and the related current liabilities are accounted for through governmental funds.

General Fund—The General Fund is the general operating fund of a school district. It is used to account for all financial resources, except those required to be accounted for in another fund. Included are all transactions related to the current operating budget.

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.

School Service Funds—School Service Funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. A school district maintains full control of these funds. The School Service Funds maintained by the District are the Food Service, Community Service, and the Student/School Activity Funds.

Debt Service Funds—Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt (bonds, notes, loans, leases, and school bond loan) principal, interest, and related costs.

Capital Projects Funds—Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished. The District currently maintains a 2017 Construction Fund, 2020 Construction Fund, 2022 Technology and Buses Fund, Prevailing Wage Exemption (PWE) Fund, 2023 Construction Fund, and a Building and Site Sinking Fund.

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of Section 1351a of the State of Michigan's School Code. For capital project activities funded with sinking fund millage, the District has complied with the applicable provisions of Section 1212 (l) of the Revised School Code and the State of Michigan Department of Treasury Numbered Letter 2023-1.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by a school district in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Trust Funds—Trust Fund net position and results of operations are not included in the district-wide financial statements. Trust funds are reported using the economic resources measurement focus.

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

4. Budgets and Budgetary Accounting

State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act) requires that the General Fund of a school district be under budgetary control and that both budgeted and actual financial results do not incur a deficit. Byron Center Public Schools has also adopted budgets for its Special Revenue Funds. A school district's General Appropriations Resolution (the "budget") must be adopted before the beginning of each fiscal year. No violations (dollar deviations) from a district's budget may occur without a corresponding amendment to the budget. A school district has the ability to amend the budget provided that the amendment is prior to the occurrence of the deviation and prior to the fiscal year end. A school district may also permit the chief administrative or fiscal officer to execute transfers between line items, within defined dollar or percentage limits, without prior approval of the Board of Education. Expenditures may not legally exceed budgeted appropriations at the function level. All appropriations lapse at the end of the fiscal year.

Byron Center Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- Starting in the spring, District administrative personnel and department heads work with the Superintendent and Chief Financial Officer to establish proposed operating budgets for the fiscal year commencing the following July 1.
- In June, preliminary operating budgets are submitted to the Board of Education. These budgets include proposed expenditures and the means of financing them.
- Prior to June 30, a public hearing is held to obtain taxpayer comments on the proposed budgets.
- After the budgets are finalized, the Board of Education adopts an appropriations resolution setting forth the amount of the proposed expenditures and the sources of revenue to finance them.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act).
- Budgets for the General and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budget integration in the governmental funds. There were no substantial encumbrances outstanding at year end.

6. Investments

Investments are recorded at fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

7. Inventories/Prepaid Items

Inventories are valued at cost (first-in, first-out) and are accounted for using the consumption method. Inventories of the Food Service Fund consist of food, and other nonperishable supplies. Disbursements for inventory-type items are recorded as expenditures at the time of use for each fund. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

8. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the district-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed $10,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related assets.

Land improvements, buildings and improvements, furniture and equipment, vehicles, and subscription-based IT arrangements are depreciated/amortized using the straight-line method over the shorter of the following estimated useful lives/noncancellable contract period:

Land improvements	10 - 20 years
Buildings and improvements	40 - 50 years
Furniture and equipment	3 - 10 years
Vehicles	5 - 10 years
Subscription-based IT arrangements	2 - 5 years

9. Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported at the total amount of bonds issued.

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

10. Compensated Absences

Compensated absences at the District consist of accumulated vacation and sick leave at June 30, 2025. In accordance with applicable standards, the District accrues a liability for compensated absences when it is more likely than not that the benefit will be realized by the employee, either through future use or payment upon separate from service. As of June 30, 2025, total compensated absences amounted to $2,953,029.

11. Retirement Plan

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions,* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, were implemented by the District during the fiscal year ended June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, the Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Cost sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans – pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

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

12. Postemployment Benefits Other Than Pensions

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented by the District during the fiscal year ended June 30, 2018. This Statement establishes standards for recognizing and measuring other postemployment benefits (OPEB) liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB plans, the Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about OPEB are also addressed. Distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet specific criteria. Cost-sharing employers are those whose employees are provided with defined benefit OPEB through cost-sharing multiple-employer OPEB plans—OPEB plans in which the OPEB obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides OPEB through the OPEB plan.

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

13. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three such items that qualify for reporting in this category: the deferred charge on a previous year's bond refunding, the deferred outflows of resources relating to the recognition of net pension liability on the financial statements and the deferred outflows of resources relating to the recognition of net OPEB asset on the financial statements.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category: the deferred inflows of resources relating to the recognition of net pension liability on the financial statements and the deferred inflows of resources relating to the recognition of net OPEB asset on the financial statements.

14. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net position is reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws, or regulations from other governments.

15. Fund Balances

As of July 1, 2010, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The stated objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, detailed as follows:

- Nonspendable – resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).

- Restricted – resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

- Committed – resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts. Committed fund balance does not lapse at year end.

- Assigned – resources that are constrained by the government's *intent* to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes. Byron Center Public Schools' Board of Education has delegated authority to assign fund balances for a specific purpose to the CFO. Assigned fund balance does not lapse at year end.

- Unassigned – unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Byron Center Public Schools has established a policy for its use of unrestricted fund balance amounts, and the District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The District's Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without unnecessary borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Education. It is recognized that it will not always be possible to avoid borrowing to provide cash flow.

The Board recognizes that good fiscal management comprises the foundational support of the entire District. To make that support as effective as possible, the Board intends to maintain a fund balance of 10% of the District General Fund annual operating expenditures.

16. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

17. Estimates

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

Note B – Cash Equivalents and Investments

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.

- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.

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

- Securities issued or guaranteed by agencies or instrumentalities of the United States government.

- United States government or Federal agency obligation repurchase agreements.

- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.

- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school district in Michigan.

- Investment pools, as authorized by the Surplus Funds Investment Pool Act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for the direct investment by a school district in Michigan.

Balances at June 30, 2025 related to cash equivalents and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Position:	
Governmental activities	$ 38,767,782
Statement of Fiduciary Net Position:	
Fiduciary activities	13,707
	$ 38,781,489

Cash Equivalents

Depositories actively used by the District during the year are detailed as follows:

1. United Bank
2. Salt Lake City Bank

Cash equivalents consist of bank interest-earning accounts. United Bank is utilized by all funds of the District. Salt Lake City Bank is used to pay referees in the District's athletics programs.

Balances at June 30, 2025 related to cash equivalents are detailed in the Basic Financial Statements as follows:

Cash equivalents	$ 15,143,340

Custodial Credit Risk Related to Bank Deposits
Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Protection of District deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents was $15,143,340 and the bank balance was $14,605,188. The District's deposits are fully protected by the Federal Deposit Insurance Corporation through the use of placing deposits at other financial institutions through IntraFi Cash Service Deposit Placement.

Investments

As of June 30, 2025, the District had the following investments:

Michigan Liquid Asset Fund Plus (MILAF+) – Cash Management	$ 6,744,146
Michigan Liquid Asset Fund Plus (MILAF+) – MAX Class	16,894,003
	$ 23,638,149

The Michigan Liquid Asset Fund Plus (MILAF+) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. MILAF+ is not regulated or registered with the Securities Exchange Commission. The MILAF+ Fund is carried at amortized cost and was rated AAAm by Standard & Poor's rating agency. The MILAF+ MAX Class requires a 14-day redemption notice.

Custodial Credit Risk Related to Investments
Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by State statute, and pre- qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business. At June 30, 2025, the District had no investments that were subject to custodial credit risk.

Credit Risk
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investment policy does not specifically address credit risk but minimizes its credit risk by limiting investments to the types allowed by the State.

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 funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements. The District's investment policy requires that maturities do not exceed two years.

Concentration of Credit Risk
The District minimizes 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. The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security. Excluding pooled investments, no single investment exceeded 5% of total investments at June 30, 2025.

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

Note C – State School Aid/Property Taxes

On March 15, 1994, the voters of the State of Michigan approved Proposal A, which increased the State Sales and Use Tax rates from 4% to 6% and established a State Education Tax at a rate of 6 mills on all property, except that which is exempt by law from ad valorem property taxes, and dedicated the additional revenues generated to Michigan school districts.

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February 2024 and October 2024. The 2024-25 "Foundation Allowance" for Byron Center Public Schools was $9,608 for 4,555 "Full Time Equivalent" students, generating $48,295,857 in state aid payments to the District of which $8,475,608 was paid to the District in July and August 2025 and included in "Due From Other Governmental Units" of the General Fund and Food Service Special Revenue Fund.

Property taxes for the District are levied July 1 and December 1 (the tax lien date) under a split-levy system by the City of Wyoming, the Townships of Byron and Dorr, and the Charter Township of Gaines, and are due 75 days after the levy date. The taxes are then collected by each governmental unit and remitted to the District. The Counties of Kent and Allegan, through their Delinquent Tax Revolving Fund, advance all delinquent real property taxes at March 1 to the District each year prior to June 30.

Section 1211(1) of 1993 PA 312 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill "Local Enhancement Millage" which must be shared between all local districts in each respective county intermediate district.

As Byron Center Public Schools' electors had previously (May 7, 2019) approved an operating millage extension, the 18 mill non-homestead property tax was levied in the District in 2024.

The District levied 7.0 mills in 2024 for debt service purposes and 0.9694 mills for building and site, applied on all taxable property in the District.

Taxable property in the District is assessed initially at 50% of true cash value by the assessing officials of the various units of government that comprise the District. These valuations are then equalized by the county and finally by the State of Michigan, generating the State Equalized Valuation. Taxable valuation increases will be limited, or capped (known as capped valuation), at 5% or the rate of inflation, whichever is less. With the implementation of Proposal A and Public Act 36, taxable property is now divided into two categories: PRE and NPRE.

A principal residence exemption property (PRE) is exempt from the 18 mill "School Operating" tax. It is not exempt from the 6 mill "State Education" tax, any voted "Local Enhancement Millage" nor any additional voted millage for the retirement of debt.

Non-principal residence exemption property (NPRE) is subject to all District levies. However, since Public Act 36, establishing the Michigan Business Tax, was signed into law, Public Acts 37-40 of 2007 now exempt Industrial Personal Property from the 6 mill State Education Tax and up to 18 mills of local school district operating millage (includes property under Industrial Facilities Tax exemptions); and exempt Commercial Personal Property from up to 12 mills of local school district operating millage (exceptions may apply).

The District is subject to tax abatements granted by the County of Kent with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assists in the building of new facilities, and promotes the establishment of high-tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term up to 12 years as determined by the local unit of government. The agreements entered into by each local unit include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The tax abated property taxes are calculated by applying half the local property tax millage rate on the total IFT taxable value. This amounts to a reduction in property tax revenue of approximately 50%.

For the year ended June 30, 2025, the District's property tax revenues were reduced by approximately $172,531 under these agreements.

Note D – Interfund Transfers and Receivables/Payables

Amounts due from/to other funds representing interfund receivables and payables for cash flow advances at June 30, 2025 are detailed as follows:

	Due From	Due To
Major Funds		
General Fund:		
Special Revenue Funds:		
Food Service	$ -	$ 1
Community Service	212	-
Student/School Activity	-	30,788
Total Major Funds	212	30,789
Nonmajor Funds		
Special Revenues Funds:		
Food Service:		
General Fund	1	-
Community Service	11,949	-
Student/School Activity:		
General Fund	30,788	-
Community Service:		
General Fund	-	212
Food service	-	11,949
Debt Service Funds:		
2017 Debt:		
2019 SBLF Refunding	-	41,556
2019 SBLF Refunding:		
2017 Debt	41,556	-
Total Nonmajor Funds	84,294	53,717
Total All Funds	$ 84,506	$ 84,506

Interfund transfers during the year ended June 30, 2025 were as follows:

	Transfers In	Transfers Out
Major Funds		
General Fund:		
Special Revenue Funds:		
Community Service	$ 125,000	$ 172,306
Nonmajor Funds		
Special Revenue Funds:		
Community Service:		
General Fund	172,306	125,000
Total All Funds	$ 297,306	$ 297,306

Interfund transfers are essential to maintain the different funds of the District. The transfers assist the fund with cash flow, payroll, and employee benefits. The District's intent is to appropriate expenditures to these funds on an actual basis to show the true costs of operation for these programs. By making the interfund transfers these expenditures can be allocated to each program as they occur.

Note E – Capital Assets

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

	Balances July 1, 2024	Additions	Deductions	Balances June 30, 2025
Capital assets not being depreciated:				
Land	$ 7,266,787	$ -	$ -	$ 7,266,787
Construction in progress	13,236,585	3,966,245	16,204,623	998,207
Total capital assets not being depreciated	20,503,372	$ 3,966,245	$ 16,204,623	8,264,994
Capital assets being depreciated and amortized:				
Land improvements	21,775,469	$ 409,823	$ -	22,185,292
Buildings and improvements	203,569,453	15,052,745	-	218,622,198
Furniture and equipment	14,792,273	2,158,333	-	16,950,606
Vehicles	4,586,161	444,360	139,486	4,891,035
Intangible right-to-use assets:				
Subscription-based IT arrangements	554,197	-	-	554,197
Total capital assets being depreciated and amortized	245,277,553	$ 18,065,261	$ 139,486	263,203,328
Less accumulated depreciation and amortization for:				
Land improvements	16,284,715	$ 954,010	$ -	17,238,725
Buildings and improvements	45,037,000	9,630,405	-	54,667,405
Furniture and equipment	11,320,285	781,359	-	12,101,644
Vehicles	3,020,555	390,870	132,512	3,278,913
Intangible right-to-use assets:				
Subscription-based IT arrangements	335,632	94,428	-	430,060
Total accumulated depreciation and amortization	75,998,187	$ 11,851,072	$ 132,512	87,716,747
Total capital assets being depreciated and amortized, net	169,279,366			175,486,581
Net Capital Assets	$ 189,782,738			$ 183,751,575

Depreciation and amortization expense was charged to District activities as follows:

Governmental activities:	
Instruction	$ 7,897,354
Supporting services	3,552,834
Community services	134,162
Food service	266,722
	$ 11,851,072

Note F – Long-term Obligations

Changes in long-term obligations for the year ended June 30, 2025 are summarized as follows:

	Debt Outstanding July 1, 2024	Adjustments*	Debt Added	Debt Retired	Outstanding June 30, 2025
General obligation bonds:					
2017 Building and Site	$ 51,195,000	$ -	$ -	$ 1,235,000	$ 49,960,000
2019 Refunding	11,960,000	-	-	1,860,000	10,100,000
2020 Refunding	10,550,000	-	-	1,545,000	9,005,000
2020 Building and Site	45,800,000	-	-	1,010,000	44,790,000
2021 Refunding	10,840,000	-	-	1,050,000	9,790,000
2022 School Technology and Bus Series I	2,885,000	-	-	700,000	2,185,000
2023 Building and Site	20,810,000	-	-	405,000	20,405,000
Bond premium	19,694,108	-	-	1,110,068	18,584,040
Subscription-based IT arrangements	125,334	-	-	41,347	83,987
State school loan revolving fund (including accrued interest)	17,139,702	-	1,235,297	-	18,374,999
Compensated absences	122,586	2,260,735	569,708	-	2,953,029
	$191,121,730	$ 2,260,735	$1,805,005	$ 8,956,415	$186,231,055

**See Note L – Change in Accounting Estimate*

Long-term bonds and other obligations at June 30, 2025 are comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
$56,535K Building & Site, June 28, 2017:				
Annual maturities of $1,295K to $3,615K	May 1, 2047	5.00%	$ 49,960,000	$ 1,295,000
$11,960K Refunding, October 30, 2019:				
Annual maturities of $2,000K to $2,050K	May 1, 2030	2.20	10,100,000	2,000,000
$16,855K Refunding, February 5, 2020:				
Annual maturities of $1,460K to $1,535K	May 1, 2031	5.00	9,005,000	1,535,000
$48,595K Building & Site, June 29, 2020:				
Annual maturities of $1,050K to $2,775K	May 1, 2050	4.00 - 5.00	44,790,000	1,050,000
$13,870K Refunding, May 12, 2021:				
Annual maturities of $1,080K to $1,365K	May 1, 2033	3.00 - 4.00	9,790,000	1,080,000
$2,885K School Technology and Bus Series II, February 24, 2022:				
Annual maturities of $710K to $750K	May 1, 2028	1.82	2,185,000	710,000
$20,810K Building & Site, May 8, 2023:				
Annual maturities of $425K to $9,070K	May 1, 2053	5.00 - 5.25	20,405,000	425,000
Bond premium		N/A	18,584,040	1,110,068
Subscription-Based IT Arrangements				
Audience View License:				
Annual maturity of $1,193	September 1, 2025	4.75	1,193	1,193
NWEA License:				
Annual maturities of $6,023 to $35,867	September 1, 2026	4.75	41,890	35,867
HUDL License:				
Annual maturities of $13,007 to $14,272	September 14, 2027	4.75	40,904	13,007
Other Obligations				
State school loan revolving fund (including accrued interest)			18,374,999	-
Compensated absences			2,953,029	405,822
			$ 186,231,055	$ 9,660,957

The District obtains loans from the Michigan School Loan Revolving Fund (SLRF) for the payment of the annual maturities of its general obligation bonds. There is no fixed maturity schedule for the repayment of these loans. Instead, the principal and interest are payable when taxes levied for debt service are no longer needed to retire bonded debt. During the year, the District borrowed $463,944 and accrued interest of $771,353 on total SLRF debt. At June 30, 2025, the District owed the SLRF a total of $18,374,999.

The annual requirements to pay principal and interest on long-term bonds outstanding and subscription-based IT arrangements at June 30, 2025 are as follows:

	General Obligation Bonds		Subscription-Based IT Arrangement Liabilities		
Years Ending June 30	Principal	Interest	Principal	Interest	Total
2026	$ 8,095,000	$ 6,447,718	$ 50,067	$ 3,989	$ 14,596,774
2027	8,275,000	6,144,806	19,648	1,611	14,441,065
2028	8,445,000	5,832,741	14,272	678	14,292,691
2029	7,930,000	5,501,321	-	-	13,431,321
2030	8,095,000	5,172,711	-	-	13,267,711
2031	6,210,000	4,835,075	-	-	11,045,075
2032	4,985,000	4,550,275	-	-	9,535,275
2033	5,185,000	4,341,375	-	-	9,526,375
2034	3,990,000	4,123,625	-	-	8,113,625
2035	4,170,000	3,938,875	-	-	8,108,875
2036	4,365,000	3,745,725	-	-	8,110,725
2037	4,565,000	3,543,425	-	-	8,108,425
2038	4,770,000	3,331,775	-	-	8,101,775
2039	4,990,000	3,110,525	-	-	8,100,525
2040	5,220,000	2,878,975	-	-	8,098,975
2041	5,460,000	2,636,625	-	-	8,096,625
2042	5,725,000	2,383,025	-	-	8,108,025
2043	5,950,000	2,116,925	-	-	8,066,925
2044	6,215,000	1,840,425	-	-	8,055,425
2045	6,460,000	1,549,263	-	-	8,009,263
2046	6,715,000	1,246,750	-	-	7,961,750
2047	6,980,000	932,388	-	-	7,912,388
2048	3,460,000	605,725	-	-	4,065,725
2049	3,565,000	456,013	-	-	4,021,013
2050	3,685,000	302,100	-	-	3,987,100
2051	910,000	143,325	-	-	1,053,325
2052	910,000	95,550	-	-	1,005,550
2053	910,000	47,775	-	-	957,775
	$ 146,235,000	$ 81,854,834	$ 83,987	$ 6,278	$ 228,180,099

Note G – Retirement Plan

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS) (the “System”) is a cost- sharing, multiple-employer, state-wide, defined benefit public employee retirement plan and fiduciary component unit of 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 the 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 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 at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. 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 age and service requirements range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by .50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age. The System also provides disability and survivor benefits to DB plan members.

Certain employees have the option to participate in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Benefit terms provide for annual cost of living adjustments to each employee’s retirement allowance subsequent to the employee’s retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

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 the plan fiscal year ended September 30, 2024.

	Pension Contribution Rates:		
Plan Name	**Plan Status**	**Member**	**District**
Basic	Closed	0.0 – 4.0%	23.03%
Member Investment Plan (MIP)	Closed	3.0 – 7.0%	23.03%
Pension Plus (Hybrid)	Closed	3.0 – 6.4%	19.17%
Pension Plus 2 (Hybrid)	Open	6.2%	20.10%
Defined Contribution	Open	0.0%	13.90%

The District's contributions to MPSERS under all pension plans for the year ended June 30, 2025 inclusive of the MSPERS UAAL Stabilization, totaled $11,770,180.

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

As of June 30, 2025, the District reported a liability of $65,553,276 for its proportionate share of the 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 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 the pension contributions required from all applicable employers during the measurement period. As of September 30, 2024 the District's proportion was 0.26776093%, which was an increase from 0.25889274% at September 30, 2023.

For the year ended June 30, 2025 the District recognized pension expense of $6,667,949. As of June 30, 2025, the 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
Difference between expected and actual experience	$ 1,778,507	$ 712,245
Changes of assumptions	6,834,318	4,802,982
Net difference between projected and actual earnings on pension plan investments	–	12,510,344
Changes in proportion and differences between District contributions and proportionate share of contributions	2,918,825	139,853
District contributions subsequent to the measurement date*	10,880,251	–
Total	$ 22,411,901	$ 18,165,424

* This amount, reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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

Years Ending June 30	Amount
2026	$ (936,945)
2027	1,260,317
2028	(3,974,981)
2029	(2,982,165)

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:	
MIP and Basic Plans:	6.00% net of investment expenses
Pension Plus Plan:	6.00% net of investment expenses
Pension Plus 2:	6.00% net of investment expenses
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Cost-of-Living 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 Members:	PubT-2010 Male and Female Employee Mortality Tables scaled by 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Notes:

- 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 in years: [4.4612 for non-university employers].
- Recognition period for assets in years: 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).

Long-Term Expected Rate of Return on Plan Investments

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:

Investment Category	**Target Allocation**	**Long-term Expected Real Rate of Return***
Domestic Equity Pools	25.0%	5.3%
Private Equity Pools	16.0%	9.6%
International Equity Pools	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	2.0%	1.4%
Total	**100.0%**	

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

Rate of Return

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension plan investments, 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 Plan, hybrid plans provided through non-university employers only). This discount 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 the 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the 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 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 point higher:

	1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
District's proportionate share of the net pension liability	$ 96,101,807	$ 65,553,276	$ 40,115,746

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 Michigan Public School Employees' Retirement System September 30, 2024 Annual Comprehensive Financial Report, available here: (www.michigan.gov/orsschools).

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

Payables to the pension plan totaling $1,254,650 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources. The payables are included in the "Due to Other Governmental Units" at June 30, 2025.

Note H – Other Postemployment Benefits

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS or "System") is a cost-sharing, multiple-employer, state-wide, defined benefit public employee retirement plan and a fiduciary component unit of 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 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 fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide 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 fiscal year ended September 30, 2024:

OPEB Contribution Rates:

Benefit Structure	Member	District
Premium Subsidy	3.0%	8.31%
Personal Healthcare Fund (PHF)	0.0%	7.06%

Required contributions to the OPEB plan from the District were $590,602 for the year ended June 30, 2025.

OPEB Assets, OPEB Credit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2025, the District reported an asset of $11,760,947 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 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 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. As of September 30, 2024 the District's proportion was 0.27323097% which was an increase from 0.26028340% at September 30, 2023.

For the year ended June 30, 2025, the District recognized OPEB credit of $4,026,708. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ –	$ 12,463,013
Changes of assumptions	2,568,760	295,258
Net difference between projected and actual earnings on OPEB plan investments	–	2,226,482
Changes in proportion and differences between District contributions and proportionate share of contributions	628,856	15,565
District contributions subsequent to the measurement date*	256,171	–
Total	$ 3,453,787	$ 15,000,318

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

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

Years Ending June 30	Amount
2026	$ (3,866,915)
2027	(2,294,609)
2028	(2,267,776)
2029	(2,066,000)
2030	(1,102,338)
Thereafter	(205,064)

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 expense
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 Members:	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 Assumptions:	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 one or more dependents.

Notes:

- 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 OPEB 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: [6.2834 for non-university employers].
- Recognition period for assets in years: 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.

Long-Term Expected Rate of Return on Plan Investments

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:

Investment Category	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 Pools	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%
Total	**100.0%**	

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

Rate of Return

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on OPEB plan investments, 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 District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
District's proportionate share of the net OPEB liability (asset)	$ (9,088,957)	$ (11,760,947)	$ (14,071,165)

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

The following presents the District's proportionate share of the net OPEB liability (asset) calculated using assumed trend rates, as well as what the District's proportionate share of the net OPEB liability (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
District's proportionate share of the net OPEB liability (asset)	$ (14,071,191)	$ (11,760,947)	$ (9,283,224)

OPEB Plan Fiduciary Net Position

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

Payables to the OPEB Plan

Payables to the OPEB plan totaling $22,931 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources. The payables are included in the "Due to Other Governmental Units" at June 30, 2025.

Note I – Risk Management and Employee Benefits

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

There were no significant reductions in insurance coverage in fiscal 2024-25, and as of year ended June 30, 2025, there were no material pending claims against the District.

Note J – Stewardship, Compliance and Accountability

The District has an unrestricted net position deficit of $45,460,221 and a total net position deficit of $24,577,223, as of June 30, 2025. These deficit net positions result primarily from the net pension liability of $61,306,799 (including deferred outflows and inflows of resources) related to the pension plan.

Note K – Commitments

On June 29, 2020, the District issued $48,595,000 of general obligations 2020 Building and Site Bonds whose proceeds are being used for land improvements, building renovations and additions, and for purchases of furniture and equipment and new school buses. At June 30, 2025, unspent balances committed to these construction projects totaled $1,673,248, which are expected to be fully expended by the year ended June 30, 2026.

On February 24, 2022, the District issued $2,885,000 of general obligations School and Technology Bus Bonds whose proceeds are being used for technology and bus purchases. At June 30, 2025, unspent balances committed for these purchases totaled $1,358,223, which are expected to be fully expended by the year ended June 30, 2027.

On May 8, 2023, the District issued $20,810,000 of general obligations 2023 Construction Bonds whose proceeds are being used for building and site purposes. At June 30, 2025, unspent balances committed for these purchases totaled $6,610,753, which are expected to be fully expended by the year ended June 30, 2026.

Note L – Change in Accounting Estimate

During the fiscal year ended June 30, 2025, the District re-evaluated its policies and calculation methods used to recognize liabilities for compensated absences to more accurately reflect obligations related to current employment arrangements required by applicable accounting standards.

The change, which enhances the accuracy and consistency of the District's financial reporting, led to an increase of $2,260,735 in the compensated absences liability reported in the government-wide financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016
District's proportion of the net pension liability	0.26776093%	0.25889274%	0.25670023%	0.25253470%	0.24990127%	0.24621827%	0.24091524%	0.23773689%	0.23274125%	0.22550901%
District's proportionate share of the net pension liability	$ 65,553,276	$ 83,793,396	$ 96,541,669	$ 59,788,632	$ 85,843,805	$ 81,539,213	$ 72,423,470	$ 61,607,735	$ 58,067,038	$ 55,080,636
District's covered-employee payroll	$ 31,815,358	$ 28,648,548	$ 26,666,035	$ 23,080,014	$ 22,454,672	$ 21,852,001	$ 20,820,987	$ 20,055,824	$ 19,972,998	$ 18,908,348
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	206.04%	292.49%	362.04%	259.05%	382.30%	373.14%	347.84%	307.18%	290.73%	291.30%
Plan fiduciary net position as a percentage of the total pension liability	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.12%	63.96%	63.01%	66.20%

Note: The amounts presented for each of the last ten fiscal years were determined as of September 30 of the preceding year.

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
District's proportion of the net OPEB liability (asset)	0.27323097%	0.26028340%	0.25641453%	0.25370955%	0.25228778%	0.24910151%	0.24419890%	0.23829060%
District's proportionate share of the net OPEB liability (asset)	$ (11,760,947)	$ (1,472,419)	$ 5,431,020	$ 3,872,566	$ 13,515,730	$ 17,901,412	$ 19,411,253	$ 21,101,755
District's covered-employee payroll	$ 31,815,358	$ 28,648,548	$ 26,666,035	$ 23,080,014	$ 22,454,672	$ 21,852,001	$ 20,820,987	$ 20,055,824
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(36.97)%	(5.14)%	20.37%	16.78%	60.19%	81.92%	93.23%	105.22%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	105.04%	105.04%	83.09%	84.80%	59.44%	48.46%	43.10%	36.53%

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively.
Ultimately, 10 years of data will be presented.

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016
Contractually required contribution	$ 11,770,180	$ 11,240,349	$ 9,425,549	$ 8,831,980	$ 7,614,789	$ 7,006,280	$ 6,658,442	$ 6,137,356	$ 6,251,498	$ 5,818,830
Contributions in relation to the contractually required contribution	11,770,180	11,240,349	9,425,549	8,831,980	7,614,789	7,006,280	6,658,442	6,137,356	6,251,498	5,818,830
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 32,295,653	$ 28,770,055	$ 25,960,626	$ 25,098,086	$ 22,722,962	$ 22,914,671	$ 21,476,041	$ 20,718,663	$ 19,868,739	$ 19,186,215
Contributions as a percentage of covered employee payroll	36.45%	39.07%	36.31%	35.19%	33.51%	30.58%	31.00%	29.62%	31.46%	30.33%

See accompanying notes to required supplementary information.

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
MPSERS COST-SHARING MULTIPLE-EMPLOYER PLAN

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Contractually required contribution	$ 590,602	$ 2,282,927	$ 2,077,915	$ 1,999,036	$ 1,868,449	$ 1,840,452	$ 1,679,863	$ 1,516,494
Contributions in relation to the contractually required contribution	590,602	2,282,927	2,077,915	1,999,036	1,868,449	1,840,452	1,679,863	1,516,494
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 32,295,653	$ 28,770,055	$ 25,960,626	$ 25,098,086	$ 22,722,962	$ 22,914,671	$ 21,476,041	$ 20,718,663
Contributions as a percentage of covered employee payroll	1.83%	7.94%	8.00%	7.96%	8.22%	8.03%	7.82%	7.32%

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively.
Ultimately, 10 years of data will be presented.

Note A - Net Pension Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2024-25.

Changes of assumptions: There were no changes of benefit assumptions in 2024-25.

Note B - Net Pension OPEB Liability (Asset) and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2024-25.

Changes of assumptions: There were no changes of benefit assumptions in 2024-25.

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APPENDIX E

FORM OF LEGAL OPINION

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THRUN
LAW FIRM, P.C.

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DRAFT LEGAL OPINION

Byron Center Public Schools
Counties of Kent and Allegan
State of Michigan

We have acted as bond counsel in connection with the issuance by Byron Center Public Schools, Counties of Kent and Allegan, 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:

Year	Amount	Rate	Year	Amount	Rate

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

We have examined the documents which we deem authentic and pertinent to the validity of the Bonds, including the certified record evidencing the authorization of the Bonds by the electors and board of education of the Issuer, a copy of the approval of the Department of Treasury of the State of Michigan to issue the Bonds, a signed copy of the certificate of the Treasurer of the State of Michigan qualifying the Bonds for purposes of Article IX, Section 16, of the Michigan Constitution, and a specimen of the Bond certificates.

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

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

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

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

(4) the Bonds have been fully qualified pursuant to Act 92, Public Acts of Michigan, 2005, as amended, enacted pursuant to Article IX, Section 16, of the Michigan Constitution of 1963. Under the terms of said constitutional and statutory provisions, if for any reason the Issuer will be or is unable to pay the principal and interest on the Bonds when due, then the Issuer shall borrow, and the State of Michigan shall lend to it, an amount sufficient to enable the Issuer to make the payment;

(5) 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

(6) 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 F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF
<u>CONTINUING DISCLOSURE AGREEMENT</u>

$___________
BYRON CENTER PUBLIC SCHOOLS
COUNTIES OF KENT AND ALLEGAN
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 Byron Center Public Schools, Counties of Kent and Allegan, 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 January 12, 2026 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, or on any indebtedness for which the State 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.

BYRON CENTER PUBLIC SCHOOLS
COUNTIES OF KENT AND ALLEGAN
STATE OF MICHIGAN

By:____________________________________
Its: Superintendent

Dated: ____________, 2026

APPENDIX A

NOTICE TO THE MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Byron Center Public Schools, Kent and Allegan Counties, 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 _____________.

BYRON CENTER PUBLIC SCHOOLS
COUNTIES OF KENT AND ALLEGAN
STATE OF MICHIGAN

By: _____________________________________
Its: Superintendent

Dated: _______________________

THRUN LAW FIRM, P.C.

THRUN LAW FIRM, P.C.

APPENDIX B

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

Name of Issuer: Byron Center Public Schools, Kent and Allegan Counties, 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 ________________.

BYRON CENTER PUBLIC SCHOOLS
COUNTIES OF KENT AND ALLEGAN
STATE OF MICHIGAN

By: ____________________________________
Its: Superintendent

Dated: ______________________

APPENDIX C

SIGNIFICANT EVENT NOTICE COVER SHEET

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

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

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

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

Number of pages of attached significant event notice: ______________________________

Description of Significant Events Notice (Check One):

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

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

Signature: ______________________________

Name: ______________________________ Title: ______________________________

Employer: ______________________________

Address: ______________________________

City, State, Zip Code: ______________________________

Voice Telephone Number: (____________)______________________________

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

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