



**Forest Hills Public Schools
Grand Rapids, Michigan**

Annual Comprehensive Financial Report
Year Ended June 30, 2025

**Forest Hills Public Schools
Grand Rapids, Michigan**

Annual Comprehensive Financial Report
Year Ended June 30, 2025

Prepared by:

Forest Hills Public Schools

Business Office

Julie Davis, Assistant Superintendent for Finance and Operations

Forest Hills Public Schools

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October 14, 2025

The Board of Education
Forest Hills Public Schools
620 Forest Hill Avenue SE
Grand Rapids, Michigan 49546

Dear Board Members and Citizens of Forest Hills Public Schools:

This letter of transmittal provides an overview of the financial position of Forest Hills Public Schools (the District) from the perspective of the Superintendent and the Assistant Superintendent for Finance and Operations. It serves as an introduction to our Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. The ACFR is divided into three sections: introductory section, financial section, and statistical section. The introductory section includes the District's organizational chart, a list of principal officials and this letter of transmittal. The financial section contains the independent auditor's unmodified opinion letter and the Management's Discussion and Analysis report. The Management's Discussion and Analysis report provides a more detailed analysis of the financial condition of the District and should be read in conjunction with this letter. The District's government-wide financial statements, fund financial statements and supplemental information are also contained in this section. The statistical section includes selected financial, demographic, and general information, generally presented on a multi-year basis.

The District's Business Office has prepared this report with responsibility for the accuracy, fairness, and completeness of the presentation, including all disclosures, resting with the District. We believe the information is accurate in all material respects, is presented in a manner designed to fairly show the financial position and results of operations of the District, and includes all disclosures necessary to enable the reader to gain an understanding of the District's financial affairs. The report includes a statistical section containing data on numerous financial trends as well as facility information.

State law requires that every school district publish, on November 1 after the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2025.

The District

Forest Hills Public Schools is a suburban school district, located in Kent County and adjacent to the cities of Grand Rapids and East Grand Rapids. The District covers approximately 68 square miles and includes major portions of Ada, Cascade and Grand Rapids Townships, plus fractions of Cannon Township and the Cities of Kentwood and Grand Rapids. The District was formed in 1956 from a consolidation of 13 small K-6 and K-8 school districts. It is a fiscally independent school district governed by a seven-member elected Board of Education.

The District's blended enrollment for the 2024-25 school year was 8,850. Recently, the area has experienced a small decline in student population, and projections indicate a small decline in future enrollment. The projected enrollment for the 2025-26 fiscal year is 8,685. There are six K-4 elementary schools, two K-5 elementary schools, three 5-6 schools, one 6-8 middle school, two 7-8 middle schools, three 9-12 high schools, one post-secondary special education transition program and various other support buildings. The buildings range in age from 2 to 71 years.

Student Services Provided and Major Initiatives

Forest Hills Public Schools provides its students a comprehensive program of public education from the home delivery of services for early childhood students as early as age two through twelfth grade. The District has a broad-based curriculum designed to meet the individual needs of all students including regular daytime, gifted and talented, at-risk, special needs and alternative education pupils in collaboration with the Kent Intermediate School District. All students have exposure to current technology integrated across curriculum and access to comprehensive media centers. Students also have the opportunity to participate in a Spanish Immersion program from pre-school through high school, as well as a Chinese Immersion program which started in 2008. A magnet environmental education program is also available to selected fifth and sixth grade students. In addition, the District offers a dual enrollment program whereby qualifying high school students may attend local colleges and universities, receiving both high school and college credit. The District's education program includes a wide array of special education services for eligible students. There are numerous opportunities for students to participate in extracurricular activities including music, drama, fine arts, intramural and interscholastic sports, clubs, and many other special interest activities.

Accounting Systems, Budgetary Control and Annual Audit

The District adheres to budgetary policies and procedures established by the Board of Education, including specific guidelines in the development and review of the budget. The Board of Education is required to adopt an initial budget for the fiscal year no later than June 30 preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the District's financial planning and control. The budget is prepared for the general fund and each special revenue fund. The District utilizes a line item budget developed by the Assistant Superintendent for Finance and Operations and the Superintendent, and submitted to the Board of Education for approval and adoption. The budget development process includes input from employees, parents, and the community. This budget process is designed to effectively allocate resources to maximize student benefit.

The District integrates the budget with the accounting system and internal controls. We have designed the internal controls to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use, and for maintaining accountability of the assets. These controls also provide assurance on the reliability of the financial records necessary for producing financial statements. We believe our budgetary and internal controls adequately safeguard District assets, and provide reasonable assurance that errors or fraud that could be material to the financial statements are prevented or would be detected within a timely period.

The District is required to have an annual audit performed of its financial statements. The financial statements are the responsibility of the management of the District, and the auditors are expressing opinions on the statements. There is no scope limitation.

Relevant Financial Policies

The District has adopted a comprehensive set of financial policies. During the current year, one of these policies was particularly relevant. The District has a policy that requires fund balance equal to 10 percent of the adopted general fund budget be maintained for the purposes of protecting the cash flow position of the District and avoiding the need to borrow against either anticipated state aid payments or local property tax revenues for school operating purposes. During the current fiscal year, the District's use of fund balance was limited to available reserves above the 10 percent threshold.

The District maintains a prudent cash management and investment program. The policy and procedures are designed to maximize interest earnings on available cash balances with minimal principal investment risk. The District's investments may include uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent and not in the District's name.

Economic Environment

Michigan voters approved the state constitutional amendment known as Proposal A in 1994. Funding of District operations shifted dramatically from local property tax revenue to State Aid as a result of this amendment. Voter approval of the District's 2018 and 2023 bond issues have provided additional funding for essential capital projects.

Certificate of Excellence

The District has earned the Association of School Business Officials (ASBO) Certificate of Excellence for the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The District first received the ASBO award in 1997, and has received it every year since. This achievement is a source of pride for both the School Administration and the Board of Education, whose support is a necessity for maintaining such high standards for financial reporting.

While a Certificate of Excellence is valid for a period of only one year, the District believes its current report continues to conform to program standards, and we are submitting our report to ASBO to determine its eligibility for another certificate.

In Appreciation

We would like to express appreciation to a highly dedicated Board of Education that has adopted sound policies and programs designed to continue the District's growth and quality improvement during an era of significant changes and challenges.

Respectfully submitted,



Benjamin Kirby
Superintendent



Julie Davis
Assistant Superintendent
for Finance and Operations

Forest Hills Public Schools
Elected Officials and Administrative Staff

2024-2025 Board of Education

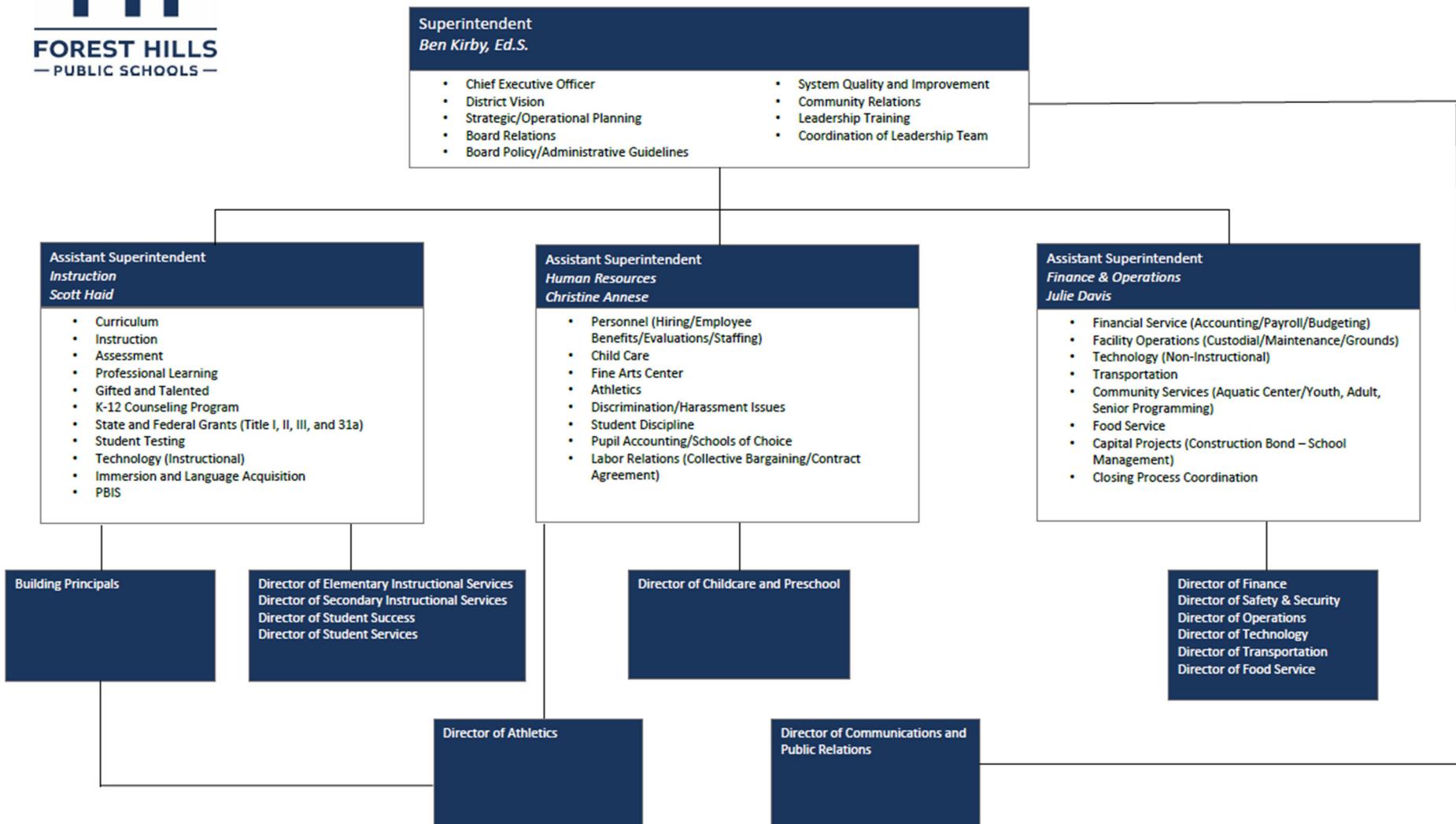
President	Kristen Fauson
Vice President	Maggie Terryn
Secretary	Malorie Ninemeier
Treasurer	CJ Michaud
Trustee	Shawn Colley
Trustee	Kelly Kermode
Trustee	Holly DeBoer

2024-2025 Administrative Staff

Superintendent	Ben Kirby
Assistant Superintendent for Finance and Operations	Julie Davis
Assistant Superintendent for Instruction	Scott Haid
Assistant Superintendent for Human Resources	Christine Annese



Organizational Chart and Administrative Responsibilities



In partnership with our community, Forest Hills Public Schools will provide all learners with opportunities to acquire the knowledge, skills, and experiences necessary to build meaningful and productive lives.

REV 2.2025



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Forest Hills Public Schools

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.**

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



A handwritten signature in black ink that reads 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink that reads 'James M. Rowan'.

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



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
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📠 517.323.6346

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Forest Hills Public Schools

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 13 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025, on our consideration of Forest Hills Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Forest Hills Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Forest Hills Public Schools' internal control over financial reporting and compliance.

Maner Costerian PC

October 14, 2025

**Forest Hills Public Schools
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2025**

As management of Forest Hills Public Schools (the District), we offer this narrative overview and analysis of the financial activities of Forest Hills Public Schools for the year ended June 30, 2025. Generally accepted accounting principles (GAAP) require the reporting of two types of financial statements: the Government-Wide Financial Statements and the Fund Financial Statements.

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

Summary of Net Position

The following schedule summarizes the net position at June 30, 2025 and 2024:

	2025	2024*
Assets		
Current assets	\$ 245,870,478	\$ 91,518,715
Net other postemployment benefits asset	26,235,447	3,513,881
Capital assets	546,381,936	499,280,911
Less accumulated depreciation/amortization	(261,437,156)	(247,385,611)
Capital assets, net book value	284,944,780	251,895,300
Total Assets	557,050,705	346,927,896
Deferred Outflows of Resources	53,607,166	75,117,313
Liabilities		
Current liabilities	27,024,724	28,349,626
Long-term liabilities	300,210,143	135,262,248
Net pension liability	150,840,768	206,158,983
Total Liabilities	478,075,635	369,770,857
Deferred Inflow of Resources	91,282,002	64,692,457
Net Position		
Net investment in capital assets	175,162,149	151,636,386
Restricted for debt service	570,443	1,578,131
Restricted for net other postemployment benefits	26,235,447	3,513,881
Unrestricted	(160,667,805)	(169,146,503)
Total Net Position	\$ 41,300,234	\$ (12,418,105)

*The 2024 numbers have not been updated for the adoption of GASB 101.

Capital Assets and Long-Term Debt

Capital Assets

By the end of the 2024-25 fiscal year, the District had invested \$546.4 million in a broad range of capital assets, including school buildings and facilities, site improvements, right to use subscription-based IT, school buses and other vehicles, and various types of equipment. Depreciation/amortization expense for the year amounted to approximately \$14.6 million, bringing accumulated depreciation/amortization to approximately \$261.4 million as of June 30, 2025.

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

	2025	2024
Buildings and improvements	\$ 227.0	\$ 178.4
Land and land improvements	21.1	18.8
Machinery, furniture and equipment	17.1	16.3
Transportation equipment	2.0	2.5
Construction in progress	16.9	35.1
Right to use - subscription-based IT	0.8	0.8
	<hr/> \$ 284.9	<hr/> \$ 251.9

The increase in capital assets is due to ongoing depreciation/amortization of existing assets being less than the asset additions related to the 2019, 2021, 2023, and 2025 Building and Site bonds.

Long-term Obligations

At June 30, 2025, the District had approximately \$451.0 million in long-term obligations outstanding, which included approximately \$263.5 million in general obligation bonds. This represents a net increase of approximately \$147.4 million in bonds payable at the close of the fiscal year due primarily to issuing new bonds and the retirement of principal.

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

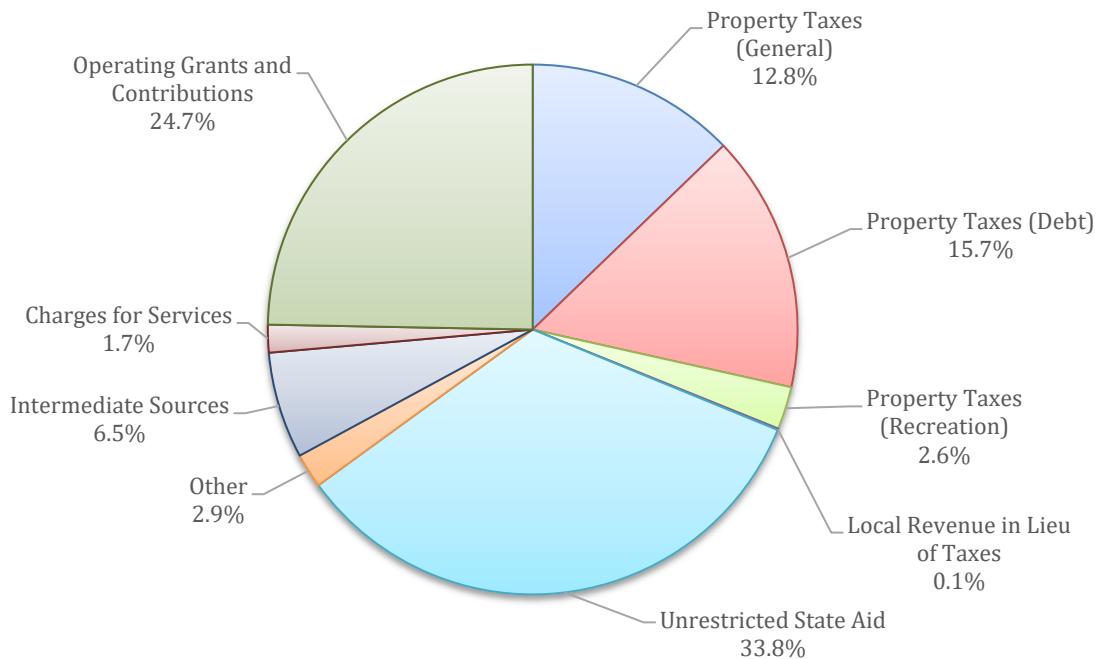
Results of Operations

For the fiscal years ended June 30, 2025 and 2024 the results of operations on a government-wide basis were:

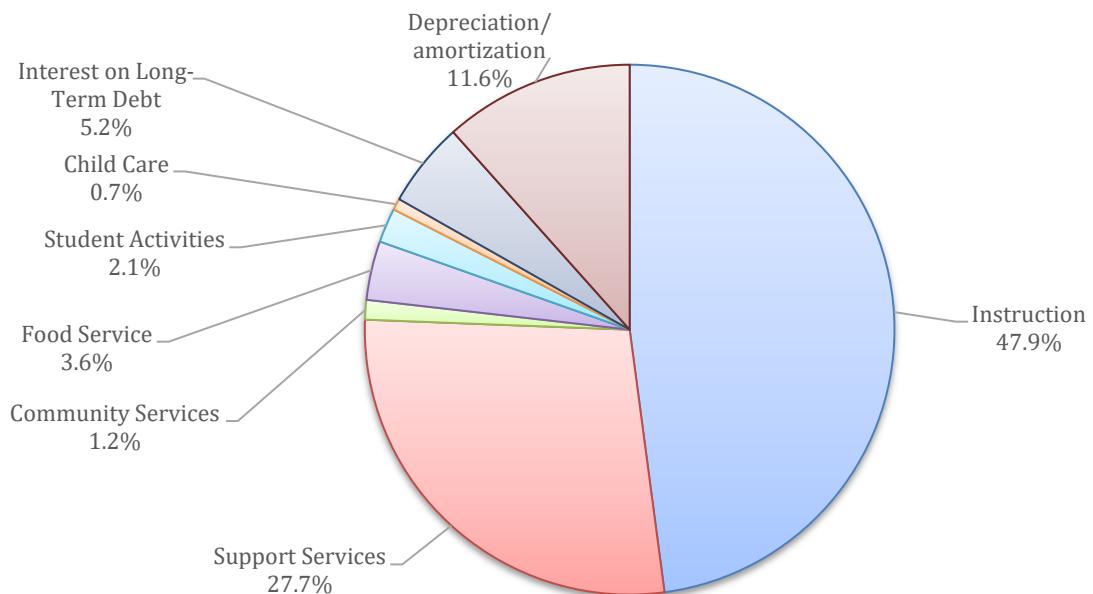
	2025	2024*	Percent Change
General Revenues			
Property taxes levied for general purposes	\$ 23,178,365	\$ 20,658,627	12.20%
Property taxes levied for debt service	28,335,951	26,232,218	8.02%
Property taxes levied for recreation	4,655,966	4,253,487	9.46%
Local revenue in lieu of taxes	80,601	98,335	-18.03%
State of Michigan aid, unrestricted	61,087,848	64,825,871	-5.77%
Investment earnings	2,994,309	4,845,676	-38.21%
Intermediate sources	11,805,711	10,632,174	11.04%
Miscellaneous	815,076	657,917	23.89%
Total general revenues	132,953,827	132,204,305	0.57%
Program Revenues			
Charges for services	3,024,587	3,030,935	-0.21%
Operating grants and contributions	44,565,568	49,530,071	-10.02%
Total program revenues	47,590,155	52,561,006	-9.46%
Total Revenues	180,543,982	184,765,311	-2.28%
Expenses			
Instruction	60,266,908	72,810,715	-17.23%
Support services	35,040,011	49,994,788	-29.91%
Community services	1,481,704	1,601,283	-7.47%
Food service	4,481,972	4,461,263	0.46%
Student/school activities	2,651,481	2,469,660	7.36%
Child care	931,184	1,146,268	-18.76%
Interest on long-term debt	6,604,827	5,917,931	11.61%
Unallocated depreciation/amortization	14,588,971	17,076,373	-14.57%
Total Expenses	126,047,058	155,478,281	-18.93%
Increase in Net Position	54,496,924	29,287,030	86.08%
Net Position, beginning of year	(13,196,690)	(41,705,135)	68.36%
Net Position, end of year	\$ 41,300,234	\$ (12,418,105)	432.58%

*The 2024 numbers have not been updated for the adoption of GASB 101.

Government-wide Revenues



Government-wide Expenses



Analysis of Significant Revenues and Expenditures

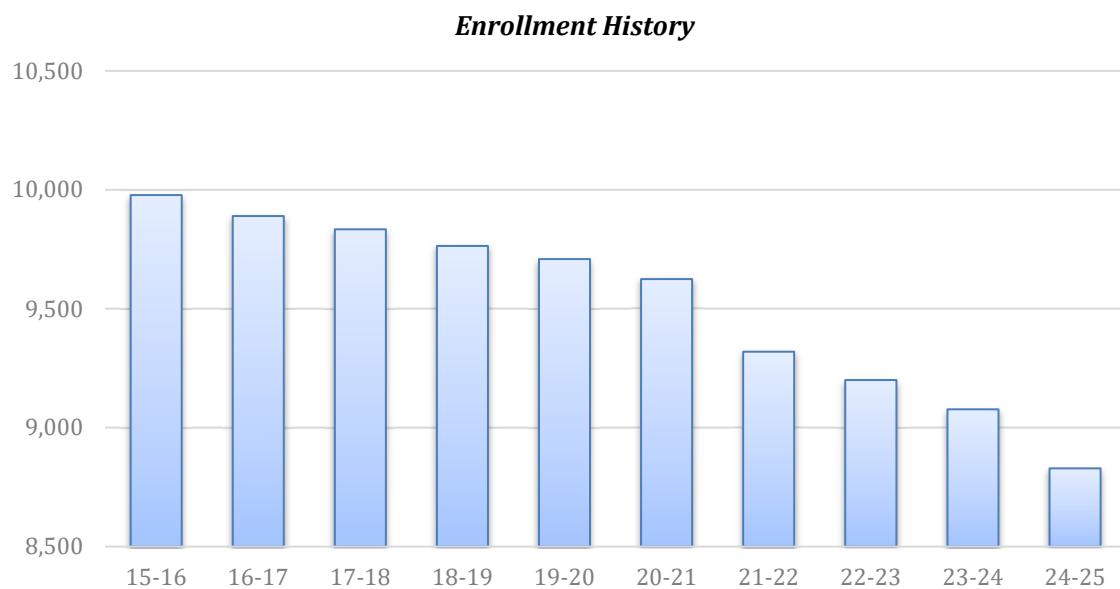
Significant revenues and expenditures are discussed in the segments below.

State Sources

The District is funded primarily by state aid, which remained the same resulting in a final per-pupil allocation of \$9,608 for 2024-25. The State of Michigan funds districts based on a blended student enrollment. The blended enrollment consists of 90% of the current year's fall count and 10% of the prior fiscal year's spring count. Blended state aid membership was 8,850 and 9,077 in 2024-25 and 2023-24, respectively.

Student Enrollment

The District's enrollment for the 2024-25 fall count was 8,829 students. This is a decrease of 233 students over the prior year. Forest Hills Public Schools is centrally located in Kent County. Projections indicate a small decline in future enrollment. Enrollment over the last ten years is illustrated as follows:



Property Taxes

The District can levy up to 18.0 mills of property taxes for operations on non-pre properties. According to Michigan law, the tax levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of the prior year's Consumer Price Index increase or 5%, whichever is less. At the time property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is 50% of the property's market value.

For the 2024-25 fiscal year, the District's non-pre current year property tax collections were approximately \$22.9 million. This is an increase of 10.09% from the prior year due primarily to an increase in property values.

In February 2004, voters approved 1.0 mill to be levied on all property to support recreational activities in the District; however, due to the mandatory reductions required by the Headlee Amendment the District levied 0.9946 mills. The total current tax year amount was approximately \$4.6 million. This is an increase of 9.5% from the prior year due primarily to an increase in property values. In November 2022, voters approved the renewal for a 10-year period.

The District levied 6.05 mills of property taxes on all classes of property located within the District for bonded debt service. This levy is not subject to rollback provisions and is used to pay the principal and interest on bond obligations. The total current tax year amount collected for debt service in 2024-25 was approximately \$28.4 million. This is an increase of 8.4% from the prior year due primarily to an increase in property values.

General Fund Budgetary Highlights

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

For the 2024-25 fiscal year, the District amended the budget three times: once in January 2025, once in April 2025, and a final amendment in June 2025. The following schedule shows a comparison of the original budget, the final amended budget, and actual totals from operations.

	Original Budget	Final Budget	Actual	Positive (Negative)	Percent Variance
Total Revenues and Other Financing Sources/Uses	\$ 131,573,574	\$ 137,710,360	\$ 137,152,330	\$ (558,030)	(0.4%)
Expenditures					
Instruction	\$ 76,043,281	\$ 78,137,998	\$ 76,896,951	\$ 1,241,047	1.6%
Support services	54,845,874	57,744,969	54,433,624	3,311,345	5.7%
Community services	1,874,264	2,080,437	1,715,454	364,983	17.5%
Other transactions	315,365	611,200	512,838	98,362	16.1%
Total Expenditures	\$ 133,078,784	\$ 138,574,604	\$ 133,558,867	\$ 5,015,737	3.6%

The actual revenues and other financing sources/uses for the fund were \$137.1 million. This is greater than the original budget estimate of \$131.6 million and is less than the final amended budget amount of \$137.7 million. The actual expenditures were \$133.6 million. This is more than the original budget estimate of \$133.1 million and less than the final amended budget amount of \$138.6 million.

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

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

Analysis of Financial Position

General Fund

The District maintains a healthy amount of reserves at 21 percent of expenditures following an approximate \$3.6 million increase to fund balance. Management will continue to make conservative reductions of operating expenses, particularly focusing on employee attrition management, and increase revenues where opportunities exist. The budget adopted for 2025-26 reflects a use of fund balance.

Capital Projects Fund

In November 2018, voters authorized \$130 million in debt to finance capital projects throughout the District. The first series of bonds were sold in May 2019 totaling \$38 million including the bond premium. Planning commenced during the 2018-19 fiscal year, with construction beginning in the summer of 2019. At the close of the 2024-25 fiscal year, the bond work related to the 2019 bond sale has been completed.

The second series of bonds were sold in May 2021 totaling \$63.2 million including the bond premium. Planning commenced during the 2020-21 fiscal year, with construction starting in the summer of 2021. At the close of the 2024-25 fiscal year, the bond work related to the 2021 bond sale has been completed.

The third series of bonds were sold in May 2023 totaling \$29.1 million including the bond premium. Planning commenced during the 2022-23 fiscal year, with construction starting in the summer of 2023. At the close of the 2024-25 fiscal year, the funds restricted for capital projects amounted to approximately \$12.1 million.

In November 2023, voters authorized \$340 million in debt to finance capital projects throughout the District. The first series of bonds were sold in April 2025 totaling \$190.5 million including the bond premium. Planning commenced during the 2023-24 fiscal year, with construction beginning in the winter of 2024. At the close of the 2024-25 fiscal year, the funds restricted for future capital projects amounted to approximately \$175.3 million.

Factors Bearing on the District's Future

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

- An important factor affecting the District is student count. The amount of State foundation allowance revenue the district receives is based on the blended student count and the foundation allowance per pupil. The district has experienced minor reductions in its enrollment the last several years due to an overall decline in the birth rate. The enrollment decline is expected to continue into future years based on current forecasts. In an effort to attract and retain students, the District is implementing a junior kindergarten program in its elementary schools as well as expanding its participation in the Great Start Readiness Program (programming for 4 year olds).
- At this time there is no state School Aid Fund budget and federal grant cuts are continued discussions. The district made recommendations to the Board of Education on how much state aid revenue to assume, as well as federal programming revenue. As those specifics become known, further adjustments may be needed.
- The District is part of a statewide multi-employer defined benefit pension plan. Recent pension reform enacted at the state level includes as goals the limiting of future rate increases and a reduction in the plan's unfunded liability.

Contacting the District's Financial Management

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

Basic Financial Statements

Government-Wide Financial Statements

Forest Hills Public Schools

Government-Wide Financial Statements Statement of Net Position

	Governmental Activities
<i>June 30, 2025</i>	
Assets	
Cash and investments	\$ 228,069,172
Accounts receivable	91,870
Intergovernmental receivable	16,902,457
Inventories	152,033
Prepaid expenses	429,946
Deposits	225,000
Net other postemployment benefits asset	26,235,447
Capital assets, net of accumulated depreciation/amortization	260,365,374
Capital assets, not being depreciated/amortized	24,579,406
Total Assets	557,050,705
Deferred Outflows of Resources	
Deferred charge on refunding	29,350
Related to other postemployment benefits	6,946,510
Related to pension	46,631,306
Total Deferred Outflows of Resources	53,607,166
Liabilities	
Accounts payable	4,976,767
Intergovernmental payable	1,501,039
Accrued interest	2,342,673
Accrued payroll	8,910,555
Accrued retirement	2,319,074
Accrued expenses	136,578
Arbitrage liability	3,836,797
Unearned revenue	3,001,241
Noncurrent liabilities	
Due within one year	18,666,915
Due in more than one year	281,543,228
Net pension liability	150,840,768
Total Liabilities	478,075,635
Deferred Inflows of Resources	
Related to other postemployment benefits	34,831,850
Related to pension	48,259,448
Related to state aid funding for pension	8,190,704
Total Deferred Inflows of Resources	91,282,002
Net Position	
Net investment in capital assets	175,162,149
Restricted for debt service	570,443
Restricted for net other postemployment benefits	26,235,447
Unrestricted	(160,667,805)
Total Net Position	\$ 41,300,234

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

Forest Hills Public Schools

Government-Wide Financial Statements

Statement of Activities

<i>Year ended June 30, 2025</i>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
	Total			
Governmental Activities				
Instruction	\$ 60,266,908	\$ 84,375	\$ 21,532,596	\$ (38,649,937)
Support services	35,040,011	883,595	15,408,726	(18,747,690)
Community services	1,481,704	494,633	162,054	(825,017)
Food service	4,481,972	494,840	4,969,945	982,813
Student/school activities	2,651,481		2,480,648	(170,833)
Child care	931,184	1,067,144	11,599	147,559
Interest on long-term debt	6,604,827			(6,604,827)
Unallocated depreciation/amortization*	14,588,971			(14,588,971)
Total School District	\$ 126,047,058	\$ 3,024,587	\$ 44,565,568	(78,456,903)
 General revenues:				
Property taxes levied for general purposes				23,178,365
Property taxes levied for debt service				28,335,951
Property taxes levied for recreation				4,655,966
Local revenue in lieu of taxes				80,601
Unrestricted state aid				61,087,848
Investment earnings				2,994,309
Intermediate sources				11,805,711
Miscellaneous				815,076
Total general revenues				132,953,827
 Change in net position				54,496,924
 Net Position , beginning of year as previously reported				(12,418,105)
 Adjustments to beginning net position				(778,585)
 Net Position , beginning of year as restated				(13,196,690)
 Net Position , end of year				\$ 41,300,234

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

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

Fund Financial Statements

Forest Hills Public Schools

Governmental Funds Balance Sheet

	Debt General Fund	2023 Capital Service Fund	2025 Capital Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
<i>June 30, 2025</i>					
Assets					
Cash and investments	\$ 27,097,455	\$ 2,913,881	\$ 14,097,334	\$ 177,219,793	\$ 6,740,709
Accounts receivable	51,306				40,564
Intergovernmental receivable	16,849,509				52,948
Inventories	116,119				35,914
Prepaid expenditures	414,056				15,890
Deposits					225,000
Total Assets	\$ 44,528,445	\$ 2,913,881	\$ 14,097,334	\$ 177,219,793	\$ 7,111,025
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 944,228	\$ 765	\$ 2,031,905	\$ 1,914,031	\$ 85,838
Accrued payroll	8,829,859				80,696
Accrued retirement	2,293,952				25,122
Accrued expenditures	120,097				16,481
Intergovernmental payable	1,501,039				136,578
Unearned revenue	2,773,549				1,501,039
Total liabilities	16,462,724	765	2,031,905	1,914,031	435,829
Fund Balances					
Nonspendable - inventories	116,119				116,119
Nonspendable - prepaid expenditures	414,056				429,946
Nonspendable - deposits					225,000
Restricted for capital projects		12,065,429	175,305,762		187,371,191
Restricted for debt service	2,913,116				2,913,116
Restricted for food service					1,854,624
Committed for student/school activities					1,854,624
Committed for child care program					2,544,634
Assigned for subsequent year's budget	8,387,688				2,544,634
Unassigned	19,147,858				2,035,048
Total fund balances	28,065,721	2,913,116	12,065,429	175,305,762	6,675,196
Total Liabilities and Fund Balances	\$ 44,528,445	\$ 2,913,881	\$ 14,097,334	\$ 177,219,793	\$ 7,111,025

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

Forest Hills Public Schools

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

Year ended June 30, 2025

Total fund balances - total governmental funds	\$ 225,025,224
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred outflows of resources - deferred charge on refunding	29,350
Deferred outflows of resources - related to pension	46,631,306
Deferred outflows of resources - related to other postemployment benefits	6,946,510
Deferred inflows of resources - related to pension	(48,259,448)
Deferred inflows of resources - related to other postemployment benefits	(34,831,850)
Deferred inflows of resources - related to state funding for pension	(8,190,704)
Some assets are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet	
Noncurrent assets at year-end consist of:	
Net other postemployment benefits asset	26,235,447
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
These assets consist of:	
Capital assets, at cost	\$ 546,381,936
Accumulated depreciation/amortization	<u>(261,437,156)</u>
Net capital assets	284,944,780
Long-term liabilities, including interest payable, are not due and payable in the current period and, therefore, are not reported in the funds. Balances are as follows:	
General obligation bonds	(263,465,000)
Deferred issuance premium	(33,403,491)
Accrued interest on bonds	(2,342,673)
Direct borrowings and direct placements	(314,681)
Compensated absences	(3,015,971)
Retirement contracts payable	(11,000)
Net pension liability	(150,840,768)
Arbitrage liability	<u>(3,836,797)</u>
Net long-term liabilities	<u>(457,230,381)</u>
Net Position of Governmental Activities	<u>\$ 41,300,234</u>

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

Forest Hills Public Schools

Statement of Revenues, Expenditures, and Changes in Fund Balances

<i>Year ended June 30, 2025</i>	General Fund	Debt Service Fund	2021 Capital Projects Fund	2023 Capital Projects Fund	2025 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	\$ 27,834,331	\$ 28,335,951					\$ 56,170,282
Other local sources	3,402,069	610,503	\$ 33,193	\$ 1,319,147	\$ 1,385,762	\$ 4,298,716	11,049,390
State sources	90,453,848	585,304					3,652,847
Federal sources	2,830,538						94,691,999
Intermediate sources	11,805,711						1,328,697
Total revenues	136,326,497	29,531,758	33,193	1,319,147	1,385,762	9,280,260	177,876,617
Expenditures							
Current							
Instruction	76,896,951						76,896,951
Support services	54,433,624						54,433,624
Community services	1,715,454						1,715,454
Food service							4,864,730
Student/school activities							2,651,481
Child care							1,164,906
Debt service							
Principal	288,757	23,945,000					24,233,757
Interest and other	12,881	5,159,397					5,172,278
Bond issuance costs							1,061,586
Capital outlay			1,446,797	19,953,927	15,534,547	897,180	37,832,451
Outgoing transfers and other	211,200						211,200
Total expenditures	133,558,867	29,104,397	1,446,797	19,953,927	16,596,133	9,578,297	210,238,418
Excess (deficiency) of revenues over (under) expenditures	2,767,630	427,361	(1,413,604)	(18,634,780)	(15,210,371)	(298,037)	(32,361,801)
Other Financing Sources (Uses)							
Issuance of bonds					171,340,000		171,340,000
Premium on bonds issued					19,176,133		19,176,133
Sale of capital assets	100,038						100,038
Proceeds from subscription-based IT arrangements	345,809						345,809
Transfers in	380,000					14	380,014
Transfers out	(14)					(380,000)	(380,014)
Total other financing sources (uses)	825,833				190,516,133	(379,986)	190,961,980
Changes in fund balances	3,593,463	427,361	(1,413,604)	(18,634,780)	175,305,762	(678,023)	158,600,179
Fund Balances, beginning of year	24,472,258	2,485,755	\$ 1,413,604	30,700,209		7,353,219	66,425,045
Fund Balances, end of year	\$ 28,065,721	\$ 2,913,116		\$ 12,065,429	\$ 175,305,762	\$ 6,675,196	\$ 225,025,224

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

Forest Hills Public Schools

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

Year ended June 30, 2025

Changes in fund balances - total governmental funds	\$ 158,600,179
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.	
Capital outlay	\$ 47,638,451
Depreciation/amortization expense	<u>(14,588,971)</u>
	33,049,480
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. In the statement of net position, bonds issued are reported as a liability and repayments reduce the liability.	
Proceeds from issuance of bonds	(171,340,000)
Premium on issuance of bonds	(19,176,133)
Proceeds from subscription-based IT arrangements	(345,809)
Repayment of principal on bonded debt	23,945,000
Repayment of principal on notes from direct borrowings and direct placements	<u>288,757</u>
	(166,628,185)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Amortization	2,360,009
Pension related items	15,966,358
Other postemployment benefits related items	10,087,054
Accrued interest	(1,435,049)
Retirement contracts payable	11,000
Compensated absences	(81,249)
Arbitrage liability	<u>(1,488,465)</u>
	25,419,658
Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period.	
Pension related items, beginning of year	12,246,496
Pension related items, end of year	<u>(8,190,704)</u>
Change in Net Position of Governmental Activities	<u>\$ 54,496,924</u>

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

Forest Hills Public Schools

Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

Basis of Presentation

Government-wide financial statements: The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. The government-wide financial statements categorize activities as either governmental or business-type. All of the District's activities are classified as governmental.

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

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

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

Forest Hills Public Schools

Notes to Financial Statements

Governmental Funds

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

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

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

Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Debt Service Fund is considered a major fund and resources are mainly from property taxes.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital projects. Capital project fund resources are mainly from bond proceeds and investment income. The 2021, 2023, and 2025 Capital Projects Funds are considered major funds and the 2019 Capital Projects Fund is considered a nonmajor fund.

Measurement Focus and Basis of Accounting

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

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

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

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

Forest Hills Public Schools

Notes to Financial Statements

State Foundation Revenue

The State of Michigan allocates funds through a foundation grant approach, which provides for a specific annual amount of revenue per student based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources primarily are governed by the School Aid Act and the School Code of Michigan. For the year ended June 30, 2025, the foundation allowance was based on the blended student membership counts taken in October 2024 and February 2024.

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

State Categorical Revenue

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

Federal Revenue

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

Budgets and Budgetary Accounting

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

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

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

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

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

Forest Hills Public Schools

Notes to Financial Statements

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

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

Cash and Cash Equivalents

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

Investments

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

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services, and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

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

Forest Hills Public Schools

Notes to Financial Statements

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

Defined Benefit Plans

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

Forest Hills Public Schools

Notes to Financial Statements

Deferred Outflows

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

Deferred Inflows

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

Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements. The liability for compensated absences includes salary and related benefits, where applicable.

Long-term Obligations

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

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

Forest Hills Public Schools

Notes to Financial Statements

Net Position

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

Fund Balance

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

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

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

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

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

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

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

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

Subscription-based IT Arrangements (SBITA)

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

Forest Hills Public Schools

Notes to Financial Statements

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

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITA.
- The SBITA term includes the noncancelable period of the subscription. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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

Property Taxes

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

For the year ended June 30, 2025, the District levied the following amounts per \$1,000 of assessed valuation. The general fund levied 18.00 mills for applicable property and a supplemental 0.9946 mill for parks and recreation activities. The debt service fund levied 6.05 mills.

Interfund Activity

During the course of its operations the District has transactions between funds. The General Fund regularly has transfers of funds between the Food Service and Child Care funds. During the year, the Food Service Fund and Child Care Fund transferred \$230,000 and \$150,000, respectively, to the General Fund for indirect costs. The General Fund transferred \$14 to the Food Service Fund for at-risk meals. To the extent that certain transactions had not been paid or received as of year-end, balances of interfund receivables or payables are recorded. Balances are normally liquidated in the subsequent fiscal year.

Forest Hills Public Schools

Notes to Financial Statements

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through October 14, 2025 the date the financial statements were available to be issued. Based on that evaluation, there were no matters identified that had a significant impact on the financial statements as presented.

2. Cash and Investments

Deposits

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District minimizes custodial credit risk by pre-qualifying financial institutions. At June 30, 2025, \$830,752 of the District's bank balances (without recognition of deposits in transit and outstanding checks) of \$149,385,120 was insured and \$148,554,368 was uninsured and uncollateralized. The Federal Deposit Insurance Corporation (FDIC) general deposit insurance rules provide \$250,000 of insurance for all time and savings deposits and \$250,000 of insurance for all demand deposits per institution.

Investments

At June 30, 2025, the District had the following investments:

<i>Investment Type</i>	<i>Rating</i>	<i>Fair Value</i>	<i>Weighted Average Maturity (Years)</i>
U.S. Treasury Notes	S&P AA+	\$ 62,448,780	1.5703
MILAF External Investment Pool - CMC	S&P AAAm	1,796,449	N/A
MILAF External Investment Pool - Max	S&P AAAm	15,435,289	N/A
Total investments		79,680,518	
Cash		148,388,654	
Total Cash and Investments		\$ 228,069,172	
Portfolio weighted average maturity			1.5703
One day maturity equals approximately 0.0027 years			

Forest Hills Public Schools

Notes to Financial Statements

The District voluntarily invests certain excess funds in external pooled investment funds which includes money market funds. Two of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund Cash Management Class and Max Class (MILAF). These are external pooled investment funds of "qualified" investments for Michigan school districts. MILAF is not regulated nor is it registered with the SEC. MILAF reports as of June 30, 2025, the fair value of the District's investments is the same as the value of the pool shares. MILAF Cash Management Class and Max Class funds are considered external investment pools as defined by the GASB and as such are recorded at amortized cost which approximate fair value. The MILAF (MAX Class) fund requires notification of redemptions prior to 14 days to avoid penalties. These funds are not subject to the fair value disclosures and are valued at amortized cost.

Interest Rate Risk

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

Custodial Credit Risk Related to Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business. The District had no investments subject to custodial credit risk at June 30, 2025.

Fair Value Measurement

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

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk, and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

Forest Hills Public Schools

Notes to Financial Statements

	Level 1	Level 2	Level 3	Balance at June 30, 2025
Investments by fair value level				
U.S. Treasury Notes		\$ 62,448,780		\$ 62,448,780

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

Foreign Currency Risk

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

Credit Risk

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

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

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

Concentration of Credit Risk

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

3. **Interfund Activity**

Transfers between funds during the year June 30, 2025 were as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 380,000	\$ 14
Nonmajor Governmental Funds	14	380,000
	\$ 380,014	\$ 380,014

Forest Hills Public Schools

Notes to Financial Statements

4. Intergovernmental Receivable

Intergovernmental receivables consist of the following:

Fund	Local	State	Federal	Total
General	\$ 376,273	\$ 16,016,727	\$ 456,509	\$ 16,849,509
Food Service		51,646		51,646
Child Care		1,302		1,302
Total	\$ 376,273	\$ 16,069,675	\$ 456,509	\$ 16,902,457

All balances are expected to be collected within one year.

5. Capital Assets

The following summarizes capital asset activity for the year ended June 30, 2025.

	Balance, June 30, 2024	Additions/ Reclassifications	Deletions/ Reclassifications	Balance, June 30, 2025
Governmental Activities				
Capital assets not depreciated/amortized				
Land	\$ 7,696,373			\$ 7,696,373
Construction in progress	35,129,996	\$ 18,366,694	\$ (36,613,657)	16,883,033
Total capital assets not depreciated/amortized	42,826,369	18,366,694	(36,613,657)	24,579,406
Capital assets being depreciated/amortized				
Land improvements	21,285,946	3,441,977		24,727,923
Buildings and improvements	356,561,381	58,127,438		414,688,819
Machinery, furniture and equipment	69,719,236	3,689,955		73,409,191
Transportation equipment	7,286,058	214,829	(537,426)	6,963,461
Right to use - subscription-based IT	1,601,921	411,215		2,013,136
Total capital assets being depreciated/amortized	456,454,542	65,885,414	(537,426)	521,802,530
Totals at historical cost	499,280,911	84,252,108	(37,151,083)	546,381,936
Less accumulated depreciation/amortization for				
Land improvements	10,193,312	1,122,647		11,315,959
Buildings and improvements	178,194,268	9,484,672		187,678,940
Machinery, furniture and equipment	53,456,905	2,815,495		56,272,400
Transportation equipment	4,764,764	761,748	(537,426)	4,989,086
Right to use - subscription-based IT	776,362	404,409		1,180,771
Total accumulated depreciation/amortization	247,385,611	14,588,971	(537,426)	261,437,156
Net Capital Assets	\$ 251,895,300	\$ 69,663,137	\$ (36,613,657)	\$ 284,944,780

Depreciation/amortization for the year ended June 30, 2025 was \$14,588,971. The District determined that it was impractical to allocate depreciation/amortization to various governmental activities as the assets serve multiple functions.

Costs to complete the construction in progress are approximately \$16,900,000.

Forest Hills Public Schools

Notes to Financial Statements

6. Long-term Obligations

The following is a summary of changes in long-term obligations for the District for the year ended June 30, 2025.

	Balance, June 30, 2024, as restated	Additions	Deductions	Balance, June 30, 2025	Due Within One Year
General obligation bonds	\$ 116,070,000	\$ 171,340,000	\$ (23,945,000)	\$ 263,465,000	\$ 17,895,000
Deferred issuance premium	16,756,482	19,176,133	(2,529,124)	33,403,491	
Notes from direct borrowings and direct placements	257,629	345,809	(288,757)	314,681	157,721
Compensated absences*	2,934,722	81,249		3,015,971	603,194
Retirement contracts payable	22,000		(11,000)	11,000	11,000
Net pension liability	206,158,983		(55,318,215)	150,840,768	
	\$ 342,199,816	\$ 190,943,191	\$ (82,092,096)	\$ 451,050,911	\$ 18,666,915

*The change in the compensated absences liability is presented as a net change.

General obligation bonds at June 30, 2025 are comprised of the following individual issues:

June 30, 2025	Remaining Principal Outstanding	Interest Requirements
2016 Building, Site and Refunding Bonds, \$48,130,000, due in annual installments of \$5,175,000 to \$5,230,000 through May 1, 2027, interest at 5.00%.	\$ 10,405,000	\$ 781,750
2019 Building and Site Series I Bonds, \$31,950,000, due in annual installments of \$2,200,000 to \$2,700,000 through May 1, 2034, interest at 5.00%.	21,750,000	5,615,000
2020 Refunding Bonds, \$9,670,000 due in annual installments of \$1,050,000 to \$1,075,000 through May 1, 2029, interest at 4.00%.	4,250,000	427,000
2021 Building and Site Bonds, \$55,350,000 due in annual installments of \$2,840,000 to \$2,845,000 through May 1, 2036, interest at 3.00% to 4.00%.	31,270,000	6,227,550
2023 Building and Site Bonds, \$25,550,000 due in annual installments of \$1,380,000 to \$2,480,000 through May 1, 2038, interest at 5.00%.	24,450,000	9,387,000
2025 Building and Site Bonds, \$171,340,000 due in annual installments of \$5,250,000 to \$12,785,000 through May 1, 2045, interest at 5.00%.	171,340,000	102,400,369
	\$ 263,465,000	\$ 124,838,669

Forest Hills Public Schools

Notes to Financial Statements

Notes from direct borrowings and direct placements at June 30, 2025 are comprised of the following:

Direct Borrowing and Direct Placement

June 30, 2025	Remaining	
	Principal	Interest
	Outstanding	Requirements
Various subscription-based IT arrangements, due in annual installments of \$34,556 to \$64,942 through June 30, 2029, including imputed interest at 5%.	\$ 314,681	\$ 24,064

Severance Program

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

Debt Service Requirements

The District's outstanding notes from direct borrowings and direct placements related to governmental activities of \$314,681 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

The District defeased certain general obligations bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account, assets, and liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2025, \$23,075,000 of bonds outstanding are considered defeased.

The annual requirements to amortize long-term obligations outstanding exclusive of compensated absences payments as of June 30, 2025, are as follows:

Year Ending June 30,	General Obligation Bonds		Direct Borrowing and Direct Placement		Other Long-term Obligations	Total
	Principal	Interest	Principal	Interest		
2026	\$ 17,895,000	\$ 13,365,919	\$ 157,721	\$ 15,734	\$ 31,434,374	
2027	19,295,000	11,819,950	92,708	3,471		31,211,129
2028	16,025,000	10,894,100	31,343	3,213		26,953,656
2029	13,720,000	10,132,000	32,909	1,646		23,886,555
2030	13,070,000	9,485,150				22,555,150
2031-2035	69,875,000	37,754,450				107,629,450
2036-2040	55,470,000	22,386,600				77,856,600
2041-2045	58,115,000	9,000,500				67,115,500
	263,465,000	124,838,669	314,681	24,064		388,642,414
Deferred issuance premium	33,403,491					33,403,491
Compensated absences					\$ 3,015,971	3,015,971
Retirement contracts payable					11,000	11,000
Net pension liability					150,840,768	150,840,768
	\$ 296,868,491	\$ 124,838,669	\$ 314,681	\$ 24,064	\$ 153,867,739	\$ 575,913,644

The net pension liability is liquidated by the General, Food Service, and Child Care funds.

Forest Hills Public Schools

Notes to Financial Statements

7. Pension and Other Postemployment Benefits

Plan Description

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

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

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

Benefits Provided - Overall

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

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

Benefits Provided - Pension

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

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

Forest Hills Public Schools

Notes to Financial Statements

Pension Reform 2010

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

Pension Reform 2012

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

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

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

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

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

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

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

Forest Hills Public Schools

Notes to Financial Statements

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

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

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

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

Pension Reform of 2017

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

New employees hired between February 1, 2018, and June 30, 2024, are automatically enrolled as members in the Pension Plus 2 Plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus 2 Plan and become a qualified participant to the DC Plan; if no election is made they will default to the DC Plan. If they elect to opt out of the Pension Plus 2 Plan, their participation in the DC Plan will be retroactive to their date of hire.

Pension Reform of 2023

On November 29, 2023, the Governor signed Public Act 250 of 2023 into law. New employees hired after June 30, 2024, are automatically enrolled as members in the Pension Plus 2 Plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus 2 Plan and become a qualified participant in the DC Plan; if no election is made they will remain in the Pension Plus 2 Plan. If they elect to opt out of the Pension Plus 2 Plan, their participation in the DC Plan will be retroactive to their date of hire.

Forest Hills Public Schools

Notes to Financial Statements

Benefits Provided - Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

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

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

Member Contributions

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

Forest Hills Public Schools

Notes to Financial Statements

Employer Contributions

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

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

Pension and OPEB contributions made in the fiscal year ending September 30, 2024 were determined as of the September 30, 2021 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2021 are amortized over an 15-year period beginning October 1, 2023 and ending September 30, 2038.

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

	Pension	Other Postemployment Benefit
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%
October 1, 2024 - September 30, 2025	20.96% - 30.11%	0.00% - 1.25%

The District's pension contributions for the year ended June 30, 2025 were equal to the required contribution total. Total pension contributions were approximately \$28,199,000. Of the total pension contributions approximately \$27,255,000 was contributed to fund the Defined Benefit Plan and approximately \$944,000 was contributed to the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2025 were equal to the required contribution total. Total OPEB benefits were approximately \$873,000. Of the total OPEB contributions approximately \$353,000 was contributed to fund the Defined Benefit Plan and approximately \$520,000 was contributed to fund the Defined Contribution Plan.

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

Forest Hills Public Schools

Notes to Financial Statements

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

Pension Liabilities

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

<i>MPSERS (Plan) Non-university Employers:</i>	September 30, 2024	September 30, 2023
Total pension liability	\$ 95,765,499,515	\$ 94,947,828,557
Plan fiduciary net position	\$ 71,283,482,728	\$ 62,581,762,238
Net pension liability	\$ 24,482,016,787	\$ 32,366,066,319
Proportionate share	0.61613%	0.63696%
Net pension liability for the District	\$ 150,840,768	\$ 206,158,983

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

For the year ended June 30, 2025, the District recognized pension expense of approximately \$11,380,643.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 15,726,044	\$ 11,051,858
Net difference between projected and actual plan investment earnings		28,786,813
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,953,745	6,781,871
Differences between expected and actual experience	4,092,416	1,638,906
Reporting Unit's contributions subsequent to the measurement date	24,859,101	
	\$ 46,631,306	\$ 48,259,448

\$24,859,101, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

Forest Hills Public Schools

Notes to Financial Statements

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

Year Ending June 30,	Amount
2026	\$ (5,383,600)
2027	(587,183)
2028	(12,368,738)
2029	(8,147,722)

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

OPEB Liabilities (Asset)

The net OPEB liability (asset) was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2023 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability (asset) was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

<i>MPSERS (Plan) Non-university Employers:</i>	September 30, 2024	September 30, 2023
Total other postemployment benefits liability	\$ 9,991,545,923	\$ 11,223,648,949
Plan fiduciary net position	\$ 14,295,943,589	\$ 11,789,347,341
Net other postemployment benefits liability (asset)	\$ (4,304,397,666)	\$ (565,698,392)
Proportionate share	0.60950%	0.62116%
Net other postemployment benefits liability (asset) for the District	\$ (26,235,447)	\$ (3,513,881)

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

For the year ended June 30, 2025, the District recognized OPEB benefit of approximately \$9,826,135.

Forest Hills Public Schools

Notes to Financial Statements

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 5,730,199	\$ 658,639
Net difference between projected and actual plan investment earnings		4,966,671
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,091,016	1,404,979
Differences between expected and actual experience		27,801,561
Reporting Unit's contributions subsequent to the measurement date	125,295	
	<hr/> \$ 6,946,510	<hr/> \$ 34,831,850

\$125,295, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability (asset) in the subsequent fiscal year.

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

Year Ending June 30,	Amount
2026	\$ (9,064,562)
2027	(5,334,532)
2028	(5,329,364)
2029	(5,012,367)
2030	(2,765,088)
2031	(504,722)

Actuarial Assumptions

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

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

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

Inflation - 3.0%.

Forest Hills Public Schools

Notes to Financial Statements

Mortality Assumptions -

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

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

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

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

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

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

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.25% for year one and graded to 3.5% in year fifteen. Post 65, 6.50% for year one and graded to 3.5% in year fifteen.

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

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

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

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

Forest Hills Public Schools

Notes to Financial Statements

The target asset allocation at September 30, 2024 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

Rate of Return - For fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 15.47% and 15.45%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

Forest Hills Public Schools

Notes to Financial Statements

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

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	\$ 221,134,187	\$ 150,840,768	\$ 92,307,973

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

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	\$ (20,274,970)	\$ (26,235,447)	\$ (31,388,909)

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

	Other Postemployment Benefits		
	Current	Healthcare Cost	1% Increase
	1% Decrease	Trend Rates	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	\$ (31,388,965)	\$ (26,235,447)	\$ (20,708,326)

Pension and OPEB Plan Fiduciary Net Position

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

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

Forest Hills Public Schools

Notes to Financial Statements

8. Risk Management and Benefits

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees and natural disasters. The District is a member of the West Michigan Risk Management Trust (Trust), a self-insurance program with 18 districts pooling together to insure property, liability, and auto exposures. Premiums from members of the Trust are arrived at through standard underwriting procedures. The members of the Trust have contributed amounts sufficient to fund individual and aggregate losses up to \$250,000 and \$1,685,000, respectively, on an annual basis. Excess insurance has been purchased to cover claims exceeding those amounts. Specific types of coverage are listed in the supplemental material. A \$5,000 per occurrence deductible for property losses is maintained to place the responsibility for small charges with the members of the Trust.

The District carries commercial insurance for other risks of loss, including employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2025, or any of the prior three years.

9. Bond Compliance

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

<i>June 30, 2025</i>	Cumulative Revenues	Cumulative Expenditures (excluding transfers)
2019 Bonds	\$ 705,106	\$ 38,814,534
2021 Bonds	\$ 2,943,686	\$ 66,102,368
2023 Bonds	\$ 3,166,302	\$ 20,186,892
2025 Bonds	\$ 1,385,762	\$ 16,596,133

The above revenue excludes net bond proceeds of \$38,109,428 for the 2019 bonds, \$63,158,682 for the 2021 bonds, \$29,086,019 for the 2023 bonds, and \$190,516,133 for the 2025 bonds.

10. Contingent Liabilities

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

Forest Hills Public Schools

Notes to Financial Statements

11. Tax Abatements

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

Municipality	Taxes abated
Ada Township	\$ 212,335
Cascade Township	51,948
	\$ 264,283

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

There are no abatements made by the District.

12. Upcoming Accounting Pronouncements

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

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

Forest Hills Public Schools

Notes to Financial Statements

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

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

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

13. Change in Accounting Principle

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*.

Summary: This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

14. Adjustments to Beginning Net Position

During fiscal year 2025, changes to beginning net position are as follows:

	Governmental Activities
	Net Position
<i>June 30, 2025</i>	
Balance as of July 1, 2024, as previously stated	\$ (12,418,105)
Adoption of GASB Statement 101	(778,585)
Balance as of July 1, 2024, as restated	\$ (13,196,690)

Required Supplementary Information

Forest Hills Public Schools

Required Supplementary Information Budgetary Comparison Schedule - General Fund

<i>Year ended June 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Local sources	\$ 27,842,000	\$ 31,357,312	\$ 31,236,400	\$ (120,912)
State sources	89,942,304	90,769,764	90,453,848	(315,916)
Federal sources	2,778,547	3,055,193	2,830,538	(224,655)
Incoming transfers and other	10,525,736	11,693,104	11,805,711	112,607
Total revenues	131,088,587	136,875,373	136,326,497	(548,876)
Expenditures				
Current				
Instruction				
Basic programs	67,279,081	68,887,174	67,911,464	975,710
Added needs	8,764,200	9,250,824	8,985,487	265,337
Total instruction	76,043,281	78,137,998	76,896,951	1,241,047
Support services				
Pupil	11,811,377	11,541,946	10,905,625	636,321
Instructional staff	5,541,249	6,700,165	5,956,303	743,862
General administration	763,525	907,809	910,939	(3,130)
School administration	7,548,940	7,320,442	7,312,997	7,445
Business	1,941,671	1,871,364	1,765,940	105,424
Operation/maintenance	12,738,204	13,940,550	13,252,699	687,851
Pupil transportation	6,730,193	6,719,564	5,878,668	840,896
Central services	4,336,064	5,269,824	4,976,853	292,971
Other support services	3,434,651	3,473,305	3,473,600	(295)
Total support services	54,845,874	57,744,969	54,433,624	3,311,345
Community services	1,874,264	2,080,437	1,715,454	364,983
Debt service				
Principal		400,000	288,757	111,243
Interest		12,881	(12,881)	
Total debt service	400,000	301,638	98,362	
Outgoing transfers and other	315,365	211,200	211,200	
Total expenditures	133,078,784	138,574,604	133,558,867	5,015,737
Excess (deficiency) of revenues over (under) expenditures	(1,990,197)	(1,699,231)	2,767,630	4,466,861
Other Financing Sources (Uses)				
Sale of capital assets	105,000	105,000	100,038	(4,962)
Transfers out	(13)	(13)	(14)	(1)
Transfers in	380,000	380,000	380,000	
Proceeds from subscription-based IT arrangements	350,000	345,809	(4,191)	
Total other financing sources (uses)	484,987	834,987	825,833	(9,154)
Changes in fund balances	\$ (1,505,210)	\$ (864,244)	3,593,463	\$ 4,457,707
Fund Balances, beginning of year			24,472,258	
Fund Balances, end of year			\$ 28,065,721	

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Reporting Unit's proportion of net pension liability (%)	0.61613%	0.63696%	0.64678%	0.62635%	0.62651%	0.63621%	0.64398%	0.64621%	0.64748%	0.66514%
Reporting Unit's proportionate share of net pension liability	\$ 150,840,768	\$ 206,158,983	\$ 243,246,630	\$ 148,290,484	\$ 215,211,777	\$ 210,690,414	\$ 193,593,162	\$ 167,461,311	\$ 161,540,348	\$ 162,459,976
Reporting Unit's covered-employee payroll	\$ 64,089,701	\$ 61,899,401	\$ 63,286,514	\$ 56,892,487	\$ 55,042,380	\$ 55,296,936	\$ 54,481,110	\$ 54,393,825	\$ 54,658,644	\$ 56,533,172
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	235.36%	333.05%	384.36%	260.65%	390.99%	381.02%	355.34%	307.87%	295.54%	287.37%
Plan fiduciary net position as a percentage of total pension liability (non-university employers)	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

Forest Hills Public Schools

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	\$ 27,255,392	\$ 25,109,448	\$ 29,203,718	\$ 21,180,572	\$ 18,356,199	\$ 16,977,014	\$ 16,594,792	\$ 16,891,003	\$ 14,928,424	\$ 14,194,187
Contributions in relation to statutorily required contributions	27,255,392	25,109,448	29,203,718	21,180,572	18,356,199	16,977,014	16,594,792	16,891,003	14,928,424	14,194,187
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reporting Unit's covered-employee payroll	\$ 67,362,578	\$ 63,230,106	\$ 61,550,355	\$ 60,189,541	\$ 56,405,803	\$ 55,173,961	\$ 55,275,159	\$ 54,414,234	\$ 56,015,095	\$ 55,051,841
Contributions as a percentage of covered-employee payroll	40.46%	39.71%	47.45%	35.19%	32.54%	30.77%	30.02%	31.04%	26.65%	25.78%

Forest Hills Public Schools

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

	2024	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net OPEB liability (%)	0.60950%	0.62116%	0.65344%	0.63058%	0.62232%	0.63331%	0.64002%	0.64637%
Reporting Unit's proportionate share of net OPEB liability (asset)	\$ (26,235,447)	\$ (3,513,881)	\$ 13,840,268	\$ 9,625,097	\$ 33,339,490	\$ 45,457,453	\$ 50,874,956	\$ 57,238,748
Reporting Unit's covered-employee payroll	\$ 64,089,701	\$ 61,899,401	\$ 63,286,514	\$ 56,892,487	\$ 55,042,380	\$ 55,296,936	\$ 54,481,110	\$ 54,393,825
Reporting Unit's proportionate share of net OPEB liability/asset as a percentage of its covered-employee payroll	40.94%	5.68%	21.87%	16.92%	60.57%	82.21%	93.38%	105.23%
Plan fiduciary net position as a percentage of total OPEB liability (non-university employers)	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

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

Forest Hills Public Schools

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

	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required OPEB contributions	\$ 352,528	\$ 5,299,149	\$ 5,077,189	\$ 4,999,425	\$ 4,873,960	\$ 4,726,246	\$ 4,543,578	\$ 4,739,561
Contributions in relation to statutorily required contributions	352,528	5,299,149	5,077,189	4,999,425	4,873,960	4,726,246	4,543,578	4,739,561
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reporting Unit's covered-employee payroll (OPEB)	\$ 67,362,578	\$ 63,230,106	\$ 61,550,355	\$ 60,189,451	\$ 56,405,803	\$ 55,173,961	\$ 55,275,159	\$ 54,414,234
OPEB contributions as a percentage of covered-employee payroll	0.52%	8.38%	8.25%	8.31%	8.64%	8.57%	8.22%	8.71%

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

**FOREST HILLS PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

1. Pension Information

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of benefit assumptions for each of the reported plan years ended September 30 except for the following:

- 2023 - The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021, actuarial valuation decreased by 0.80 percentage points.
- 2019 - The discount rate used in the September 30, 2018, actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017, actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.
- 2017 - The discount rate used in the September 30, 2016, actuarial valuation decreased by 0.50 percentage points.

2. OPEB Information

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of benefit assumptions for each of the reported plan years ended September 30 except for the following:

- 2024 - The health care cost trend rate used in the September 30, 2023, actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage points for members over 65.
- 2023 - The health care cost trend rate used in the September 30, 2022, actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

Forest Hills Public Schools

Notes to the Required Supplementary Information

- 2022 - The discount rate and investment rate of return used in the September 30, 2021, actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.
- 2021 - The health care cost trend rate used in the September 30, 2020, actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.
- 2020 - The health care cost trend rate used in the September 30, 2019, actuarial valuation decreased by 0.50 percentage points and actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.8 billion in 2020.
- 2019 - The discount rate used in the September 30, 2018, actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.
- 2018 - The discount rate used in the September 30, 2017, actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

Additional Supplementary Information

General Fund

Forest Hills Public Schools

General Fund

To account for resources except those required to be accounted for in another fund.

Forest Hills Public Schools

General Fund Schedule of Revenues and Other Financing Sources - Budget to Actual

<i>Year ended June 30, 2025</i>	Final Budget	Actual	Variance
Revenues			
Local Sources			
Property taxes	\$ 27,845,000	\$ 27,834,331	\$ (10,669)
Revenue in lieu of taxes	12,000	11,379	(621)
Tuition (fees for instruction)	50,000	1,395	(48,605)
Investment income	1,335,000	1,330,877	(4,123)
Student activity revenue:			
Admissions, athletics	300,000	307,294	7,294
Admissions, other	112,000	82,980	(29,020)
Dues and fees, athletics	425,000	408,695	(16,305)
Community service revenue:			
Community and aquatic center	500,000	494,633	(5,367)
Other local revenue:			
Rentals	150,000	167,606	17,606
Private sources	298,312	265,742	(32,570)
Miscellaneous other local revenue	330,000	331,468	1,468
 Total revenues from local sources	 31,357,312	 31,236,400	 (120,912)
 State Sources			
Restricted	29,909,679	29,474,210	(435,469)
Unrestricted	60,771,800	60,891,353	119,553
Payments in lieu of taxes	88,285	88,285	0
 Total revenues from state sources	 \$ 90,769,764	 \$ 90,453,848	 \$ (315,916)

Forest Hills Public Schools
General Fund
Schedule of Revenues and Other Financing Sources - Budget to Actual

<i>Year ended June 30, 2025</i>	Final Budget	Actual	Variance
Federal Sources			
IDEA	\$ 1,957,788	\$ 1,957,781	\$ (7)
ESSER	327,690	327,819	129
Title I	207,198	183,455	(23,743)
Title II	220,416	50,283	(170,133)
Title III	86,891	54,534	(32,357)
Other grants	255,210	256,666	1,456
 Total revenues from federal sources	 3,055,193	 2,830,538	 (224,655)
Other Governmental Units			
Kent ISD Act 18 special education millage	6,419,000	6,419,413	413
Special education transportation	1,495,000	1,488,097	(6,903)
Other payments received from other governments	3,779,104	3,898,201	119,097
 Total revenues from other governmental units	 11,693,104	 11,805,711	 112,607
 Total revenues	 136,875,373	 136,326,497	 (548,876)
Other Financing Sources			
Sale of capital assets	105,000	100,038	(4,962)
Transfers in	380,000	380,000	0
Proceeds from subscription-based IT arrangements	350,000	345,809	(4,191)
 Total other financing sources	 835,000	 825,847	 (9,153)
 Total Revenues and Other Financing Sources	 \$ 137,710,373	 \$ 137,152,344	 \$ (558,029)

Forest Hills Public Schools

General Fund Schedule of Expenditures and Other Financing Uses - Budget to Actual

<i>Year ended June 30, 2025</i>	Salaries	Employee Benefits Retirement	Employee Benefits FICA	Employee Benefits Other
Expenditures				
Instruction				
Basic programs	\$ 37,878,501	\$ 16,264,887	\$ 2,630,121	\$ 7,306,998
Added needs	5,213,686	2,156,076	369,410	824,847
Total instruction	43,092,187	18,420,963	2,999,531	8,131,845
Support Services				
Pupil services	6,113,606	2,529,914	428,707	1,115,518
Instructional staff	3,114,029	1,331,917	221,519	551,573
General administration	381,197	170,268	26,821	78,981
School administration	4,176,420	1,705,313	298,339	980,662
Business	804,726	356,594	55,267	197,144
Operations and maintenance	3,450,462	1,444,656	258,467	553,510
Pupil transportation	2,056,229	826,838	152,334	397,817
Central services	1,777,865	740,397	127,329	326,902
Other support	1,688,008	563,720	125,041	88,422
Total support services	23,562,542	9,669,617	1,693,824	4,290,529
Community Services	683,819	263,814	46,024	131,030
Debt Service				
Principal				
Interest				
Total debt service				
Other Transactions				
Total expenditures	67,338,548	28,354,394	4,739,379	12,553,404
Other Financing Uses				
Transfers out				
Total Expenditures	\$ 67,338,548	\$ 28,354,394	\$ 4,739,379	\$ 12,553,404

Forest Hills Public Schools

General Fund Schedule of Expenditures and Other Financing Uses - Budget to Actual

	Supplies, Materials and Other	Total Actual Expenditures	Final Budget	Variance
Purchased Services				
\$ 1,877,515	\$ 1,953,442	\$ 67,911,464	\$ 68,887,174	\$ 975,710
316,654	104,814	8,985,487	9,250,824	265,337
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,194,169	2,058,256	76,896,951	78,137,998	1,241,047
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
466,214	251,666	10,905,625	11,541,946	636,321
544,510	192,755	5,956,303	6,700,165	743,862
229,604	24,068	910,939	907,809	(3,130)
50,115	102,148	7,312,997	7,320,442	7,445
131,902	220,307	1,765,940	1,871,364	105,424
3,668,374	3,877,230	13,252,699	13,940,550	687,851
234,271	2,211,179	5,878,668	6,719,564	840,896
1,525,975	478,385	4,976,853	5,269,824	292,971
719,906	288,503	3,473,600	3,473,305	(295)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
7,570,871	7,646,241	54,433,624	57,744,969	3,311,345
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
474,986	115,781	1,715,454	2,080,437	364,983
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
288,757	288,757	400,000	111,243	
12,881	12,881		(12,881)	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
301,638	301,638	400,000	98,362	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
211,200	211,200	211,200		
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
10,240,026	10,333,116	133,558,867	138,574,604	5,015,737
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	14	14	13	(1)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 10,240,026	\$ 10,333,130	\$ 133,558,881	\$ 138,574,617	\$ 5,015,736
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Nonmajor Governmental Funds

Forest Hills Public Schools

Nonmajor Governmental Funds

Special Revenue Funds

To account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District maintains the following Special Revenue Funds:

Food Service Fund - to account for activity relating to cafeteria operations.

Student/School Activities Fund - to account for activities relating to student/school organizations.

Child Care Fund - to account for activities related to child care.

Capital Projects Fund

2019 Capital Projects Fund - accounts for the erection, renovation, furnishing and equipping of school buildings and other projects approved by voters. Funding is provided by the 2019 bond proceeds and interest earned.

Forest Hills Public Schools

Nonmajor Governmental Funds Combining Balance Sheet

<u>June 30, 2025</u>	Food Service	Student/School Activities	Child Care	Total
Assets				
Cash and investments	\$ 1,879,867	\$ 2,739,677	\$ 2,121,165	\$ 6,740,709
Accounts receivable		40,564		40,564
Intergovernmental receivable	51,646		1,302	52,948
Inventories	35,914			35,914
Prepaid expenditures		8,247	7,643	15,890
Deposits	225,000			225,000
Total Assets	\$ 2,192,427	\$ 2,788,488	\$ 2,130,110	\$ 7,111,025
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 1,715	\$ 68,909	\$ 15,214	\$ 85,838
Accrued payroll	4,150	23,486	53,060	80,696
Accrued retirement	1,800	5,365	17,957	25,122
Accrued expenditures	6,417	8,876	1,188	16,481
Unearned revenue	98,721	128,971		227,692
Total liabilities	112,803	235,607	87,419	435,829
Fund Balances				
Nonspendable - prepaid expenditures		8,247	7,643	15,890
Nonspendable - deposits	225,000			225,000
Restricted for food service	1,854,624			1,854,624
Committed for student/ school activities		2,544,634		2,544,634
Committed for child care			2,035,048	2,035,048
Total fund balances	2,079,624	2,552,881	2,042,691	6,675,196
Total Liabilities and Fund Balances	\$ 2,192,427	\$ 2,788,488	\$ 2,130,110	\$ 7,111,025

Forest Hills Public Schools
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

<i>Year ended June 30, 2025</i>	<i>Food Service</i>	<i>Student/School Activities</i>	<i>Child Care</i>	<i>2019 Capital Projects Fund</i>	<i>Total</i>
Revenues					
Local sources	\$ 551,917	\$ 2,585,765	\$ 1,161,034	\$ 4,298,716	
State sources	3,641,248		11,599		3,652,847
Federal sources	1,328,697				1,328,697
Total revenues	5,521,862	2,585,765	1,172,633		9,280,260
Expenditures					
Salaries and wages	1,080,776		612,188		1,692,964
Employee benefits	643,468		402,799		1,046,267
Food and milk costs	2,197,397		47,910		2,245,307
Supplies, materials and other	205,321		55,136		260,457
Purchased services	737,768		46,873		784,641
Student/school activities		2,651,481			2,651,481
Capital outlay	384,232		29	\$ 512,919	897,180
Total expenditures	5,248,962	2,651,481	1,164,935	512,919	9,578,297
Excess (deficiency) of revenues over (under) expenditures	272,900	(65,716)	7,698	(512,919)	(298,037)
Other Financing Sources (Uses)					
Transfers in	14				14
Transfers out	(230,000)		(150,000)		(380,000)
Total other financing sources (uses)	(229,986)		(150,000)		(379,986)
Changes in fund balances	42,914	(65,716)	(142,302)	(512,919)	(678,023)
Fund Balances, beginning of year	2,036,710	2,618,597	2,184,993	\$ 512,919	7,353,219
Fund Balances, end of year	\$ 2,079,624	\$ 2,552,881	\$ 2,042,691		\$ 6,675,196

Forest Hills Public Schools

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

	Food Service		
	Final Budget	Actual	Variance
<i>Year ended June 30, 2025</i>			
Revenues			
Local sources			
Food sales	\$ 524,000	\$ 494,840	\$ (29,160)
Student/school activities			
Child care fees			
Investment income	60,000	57,077	(2,923)
State source			
Restricted state aid	3,552,500	3,641,248	88,748
Federal sources			
Child nutrition cluster	1,043,000	1,050,949	7,949
Donated commodities	280,000	277,748	(2,252)
Total revenues	5,459,500	5,521,862	62,362
Other Financing Sources			
Transfers in	13	14	1
Total revenues and other financing sources	5,459,513	5,521,876	62,363
Expenditures			
Current			
Salaries and wages	1,111,750	1,080,776	30,974
Employee benefits	664,225	643,468	20,757
Food and milk costs	2,375,000	2,197,397	177,603
Supplies, materials and other	205,150	205,321	(171)
Purchased services	776,940	737,768	39,172
Student/school activities			
Capital outlay	420,000	384,232	35,768
Total expenditures	5,553,065	5,248,962	304,103
Other Financing Uses			
Transfers out	230,000	230,000	
Total expenditures and other financing uses	5,783,065	5,478,962	304,103
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(323,552)	42,914	366,466
Fund Balances, beginning of year	2,036,710	2,036,710	
Fund Balances, end of year	\$ 1,713,158	\$ 2,079,624	\$ 366,466

Forest Hills Public Schools

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Student/School Activities			Child Care		
Final Budget	Actual	Variance	Final Budget	Actual	Variance
\$ 2,550,000	\$ 2,480,648	\$ (69,352)	\$ 1,053,000	\$ 1,067,144	\$ 14,144
120,000	105,117	(14,883)	94,100	93,890	(210)
			12,025	11,599	(426)
2,670,000	2,585,765	(84,235)	1,159,125	1,172,633	13,508
2,670,000	2,585,765	(84,235)	1,159,125	1,172,633	13,508
			612,950	612,188	762
			392,450	402,799	(10,349)
			45,300	47,910	(2,610)
			65,850	55,136	10,714
			36,365	46,873	(10,508)
2,525,000	2,651,481	(126,481)	1,000	29	971
2,525,000	2,651,481	(126,481)	1,153,915	1,164,935	(11,020)
			150,000	150,000	
2,525,000	2,651,481	(126,481)	1,303,915	1,314,935	(11,020)
145,000	(65,716)	(210,716)	(144,790)	(142,302)	2,488
2,618,597	2,618,597		2,184,993	2,184,993	
\$ 2,763,597	\$ 2,552,881	\$ (210,716)	\$ 2,040,203	\$ 2,042,691	\$ 2,488

Schedules of Debt Service Requirements

Forest Hills Public Schools
2016 Building, Site and Refunding Bonds - Bonded Debt

This issue consists of bonds ranging in denominations from \$5,175,000 to \$5,230,000 dated April 20, 2016, with interest payable on May 1 and November 1 of each year. The following summary presents the bonds outstanding at June 30, 2025 together with the semi-annual interest requirements. The interest requirement is computed on the entire outstanding bond issue and represents the semi-annual interest requirement to be paid on the bond issue with no prior redemptions. The total bonds outstanding after payment of each annual principal requirement are also shown.

<i>Payment Date</i>	Rate	Requirements			<i>Outstanding</i>
		Principal	Interest	Total	
November 1, 2025	5.00		\$ 260,125	\$ 260,125	
May 1, 2026	5.00	\$ 5,175,000	260,125	5,435,125	\$ 5,230,000
November 1, 2026	5.00		130,750	130,750	
May 1, 2027	5.00	5,230,000	130,750	5,360,750	
Total requirements		\$ 10,405,000	\$ 781,750	\$ 11,186,750	

Forest Hills Public Schools

2019 Building and Site Bonds - Bonded Debt

This issue consists of bonds ranging in denominations from \$2,200,000 to \$2,700,000 dated May 15, 2019, with interest payable on May 1 and November 1 of each year. The following summary presents the bonds outstanding at June 30, 2025 together with the semi-annual interest requirements. The interest requirement is computed on the entire outstanding bond issue and represents the semi-annual interest requirement to be paid on the bond issue with no prior redemptions. The total bonds outstanding after payment of each annual principal requirement are also shown.

<i>Payment Date</i>	Rate	Requirements			<u>Outstanding</u>
		Principal	Interest	Total	
November 1, 2025	5.00		\$ 543,750	\$ 543,750	
May 1, 2026	5.00	\$ 2,200,000	543,750	2,743,750	\$ 19,550,000
November 1, 2026	5.00		488,750	488,750	
May 1, 2027	5.00	2,250,000	488,750	2,738,750	17,300,000
November 1, 2027	5.00		432,500	432,500	
May 1, 2028	5.00	2,300,000	432,500	2,732,500	15,000,000
November 1, 2028	5.00		375,000	375,000	
May 1, 2029	5.00	2,350,000	375,000	2,725,000	12,650,000
November 1, 2029	5.00		316,250	316,250	
May 1, 2030	5.00	2,400,000	316,250	2,716,250	10,250,000
November 1, 2030	5.00		256,250	256,250	
May 1, 2031	5.00	2,450,000	256,250	2,706,250	7,800,000
November 1, 2031	5.00		195,000	195,000	
May 1, 2032	5.00	2,500,000	195,000	2,695,000	5,300,000
November 1, 2032	5.00		132,500	132,500	
May 1, 2033	5.00	2,600,000	132,500	2,732,500	2,700,000
November 1, 2033	5.00		67,500	67,500	
May 1, 2034	5.00	2,700,000	67,500	2,767,500	
Total requirements		\$ 21,750,000	\$ 5,615,000	\$ 27,365,000	

Forest Hills Public Schools

2020 Refunding Bonds - Bonded Debt

This issue consists of bond payments from \$1,050,000 to \$1,075,000 dated February 27, 2020, with interest payable on May 1 and November 1 of each year. The following summary presents the bonds outstanding at June 30, 2025 together with the semi-annual interest requirements. The interest requirement is computed on the entire outstanding bond issue and represents the semi-annual interest requirement to be paid on the bond issue with no prior redemptions. The total bonds outstanding after payment of each annual principal requirement are also shown.

<i>Payment Date</i>	Rate	Requirements				<i>Outstanding</i>
		Principal	Interest	Total		
November 1, 2025	4.00		\$ 85,000	\$ 85,000		
May 1, 2026	4.00	\$ 1,050,000	85,000	1,135,000	\$ 3,200,000	
November 1, 2026	4.00		64,000	64,000		
May 1, 2027	4.00	1,050,000	64,000	1,114,000	2,150,000	
November 1, 2027	4.00		43,000	43,000		
May 1, 2028	4.00	1,075,000	43,000	1,118,000	1,075,000	
November 1, 2028	4.00		21,500	21,500		
May 1, 2029	4.00	1,075,000	21,500	1,096,500		
Total requirements		\$ 4,250,000	\$ 427,000	\$ 4,677,000		

Forest Hills Public Schools

2021 Building and Site Bonds - Bonded Debt

This issue consists of bonds ranging in denominations from \$2,840,000 to \$2,845,000, dated May 5, 2021, with interest payable on May 1 and November 1 of each year. The following summary presents the bonds outstanding at June 30, 2025 together with the semi-annual interest requirements. The interest requirement is computed on the entire outstanding bond issue and represents the semi-annual interest requirement to be paid on the bond issue with no prior redemptions. The total bonds outstanding after payment of each annual principal requirement are also shown.

<i>Payment Date</i>	Rate	Requirements			<u>Outstanding</u>
		Principal	Interest	Total	
November 1, 2025	4.00		\$ 554,275	\$ 554,275	
May 1, 2026	4.00	\$ 2,840,000	554,275	3,394,275	\$ 28,430,000
November 1, 2026	4.00		497,475	497,475	
May 1, 2027	4.00	2,840,000	497,475	3,337,475	25,590,000
November 1, 2027	4.00		440,675	440,675	
May 1, 2028	4.00	2,840,000	440,675	3,280,675	22,750,000
November 1, 2028	4.00		383,875	383,875	
May 1, 2029	4.00	2,840,000	383,875	3,223,875	19,910,000
November 1, 2029	4.00		327,075	327,075	
May 1, 2030	4.00	2,840,000	327,075	3,167,075	17,070,000
November 1, 2030	4.00		270,275	270,275	
May 1, 2031	4.00	2,845,000	270,275	3,115,275	14,225,000
November 1, 2031	3.00		213,375	213,375	
May 1, 2032	3.00	2,845,000	213,375	3,058,375	11,380,000
November 1, 2032	3.00		170,700	170,700	
May 1, 2033	3.00	2,845,000	170,700	3,015,700	8,535,000
November 1, 2033	3.00		128,025	128,025	
May 1, 2034	3.00	2,845,000	128,025	2,973,025	5,690,000
November 1, 2034	3.00		85,350	85,350	
May 1, 2035	3.00	2,845,000	85,350	2,930,350	2,845,000
November 1, 2035	3.00		42,675	42,675	
May 1, 2036	3.00	2,845,000	42,675	2,887,675	
Total requirements		\$ 31,270,000	\$ 6,227,550	\$ 37,497,550	

Forest Hills Public Schools

2023 Building and Site Bonds - Bonded Debt

This issue consists of bonds ranging in denominations from \$1,380,000 to \$2,480,000 dated May 3, 2023, with interest payable on May 1 and November 1 of each year. The following summary presents the bonds outstanding at June 30, 2025 together with the semi-annual interest requirements. The interest requirement is computed on the entire outstanding bond issue and represents the semi-annual interest requirement to be paid on the bond issue with no prior redemptions. The total bonds outstanding after payment of each annual principal requirement are also shown.

<i>Payment Date</i>	Rate	Requirements			<u>Outstanding</u>
		Principal	Interest	Total	
November 1, 2025	5.00		\$ 611,250	\$ 611,250	
May 1, 2026	5.00	\$ 1,380,000	611,250	1,991,250	\$ 23,070,000
November 1, 2026	5.00		576,750	576,750	
May 1, 2027	5.00	1,450,000	576,750	2,026,750	21,620,000
November 1, 2027	5.00		540,500	540,500	
May 1, 2028	5.00	1,520,000	540,500	2,060,500	20,100,000
November 1, 2028	5.00		502,500	502,500	
May 1, 2029	5.00	1,600,000	502,500	2,102,500	18,500,000
November 1, 2029	5.00		462,500	462,500	
May 1, 2030	5.00	1,680,000	462,500	2,142,500	16,820,000
November 1, 2030	5.00		420,500	420,500	
May 1, 2031	5.00	1,760,000	420,500	2,180,500	15,060,000
November 1, 2031	5.00		376,500	376,500	
May 1, 2032	5.00	1,850,000	376,500	2,226,500	13,210,000
November 1, 2032	5.00		330,250	330,250	
May 1, 2033	5.00	1,940,000	330,250	2,270,250	11,270,000
November 1, 2033	5.00		281,750	281,750	
May 1, 2034	5.00	2,040,000	281,750	2,321,750	9,230,000
November 1, 2034	5.00		230,750	230,750	
May 1, 2035	5.00	2,140,000	230,750	2,370,750	7,090,000
November 1, 2035	5.00		177,250	177,250	
May 1, 2036	5.00	2,250,000	177,250	2,427,250	4,840,000
November 1, 2036	5.00		121,000	121,000	
May 1, 2037	5.00	2,360,000	121,000	2,481,000	2,480,000
November 1, 2037	5.00		62,000	62,000	
May 1, 2038	5.00	2,480,000	62,000	2,542,000	
Total requirements		\$ 24,450,000	\$ 9,387,000	\$ 33,837,000	

Forest Hills Public Schools

2025 Building and Site Bonds - Bonded Debt

This issue consists of bonds ranging in denominations from \$5,250,000 to \$12,785,000 dated April 2, 2025, with interest payable on May 1 and November 1 of each year. The following summary presents the bonds outstanding at June 30, 2025 together with the semi-annual interest requirements. The interest requirement is computed on the entire outstanding bond issue and represents the semi-annual interest requirement to be paid on the bond issue with no prior redemptions. The total bonds outstanding after payment of each annual principal requirement are also shown.

Payment Date	Rate	Requirements			Outstanding
		Principal	Interest	Total	
November 1, 2025	5.00		\$ 4,973,619	\$ 4,973,619	
May 1, 2026	5.00	\$ 5,250,000	4,283,500	9,533,500	\$ 166,090,000
November 1, 2026	5.00		4,152,250	4,152,250	
May 1, 2027	5.00	6,475,000	4,152,250	10,627,250	159,615,000
November 1, 2027	5.00		3,990,375	3,990,375	
May 1, 2028	5.00	8,290,000	3,990,375	12,280,375	151,325,000
November 1, 2028	5.00		3,783,125	3,783,125	
May 1, 2029	5.00	5,855,000	3,783,125	9,638,125	145,470,000
November 1, 2029	5.00		3,636,750	3,636,750	
May 1, 2030	5.00	6,150,000	3,636,750	9,786,750	139,320,000
November 1, 2030	5.00		3,483,000	3,483,000	
May 1, 2031	5.00	6,455,000	3,483,000	9,938,000	132,865,000
November 1, 2031	5.00		3,321,625	3,321,625	
May 1, 2032	5.00	6,775,000	3,321,625	10,096,625	126,090,000
November 1, 2032	5.00		3,152,250	3,152,250	
May 1, 2033	5.00	7,120,000	3,152,250	10,272,250	118,970,000
November 1, 2033	5.00		2,974,250	2,974,250	
May 1, 2034	5.00	7,475,000	2,974,250	10,449,250	111,495,000
November 1, 2034	5.00		2,787,375	2,787,375	
May 1, 2035	5.00	7,845,000	2,787,375	10,632,375	103,650,000
November 1, 2035	5.00		2,591,250	2,591,250	
May 1, 2036	5.00	8,240,000	2,591,250	10,831,250	95,410,000
November 1, 2036	5.00		2,385,250	2,385,250	
May 1, 2037	5.00	8,655,000	2,385,250	11,040,250	86,755,000
November 1, 2037	5.00		2,168,875	2,168,875	
May 1, 2038	5.00	9,085,000	2,168,875	11,253,875	77,670,000
November 1, 2038	5.00		1,941,750	1,941,750	
May 1, 2039	5.00	9,540,000	1,941,750	11,481,750	68,130,000
November 1, 2039	5.00		1,703,250	1,703,250	
May 1, 2040	5.00	10,015,000	1,703,250	11,718,250	58,115,000
November 1, 2040	5.00		1,452,875	1,452,875	
May 1, 2041	5.00	10,520,000	1,452,875	11,972,875	47,595,000
November 1, 2041	5.00		1,189,875	1,189,875	
May 1, 2042	5.00	11,040,000	1,189,875	12,229,875	36,555,000
November 1, 2042	5.00		913,875	913,875	
May 1, 2043	5.00	11,595,000	913,875	12,508,875	24,960,000
November 1, 2043	5.00		624,000	624,000	
May 1, 2044	5.00	12,175,000	624,000	12,799,000	12,785,000
November 1, 2044	5.00		319,625	319,625	
May 1, 2045	5.00	12,785,000	319,625	13,104,625	
<hr/>					
Total requirements		\$ 171,340,000	\$ 102,400,369	\$ 273,740,369	

Statistical Section (Unaudited)

Forest Hills Public Schools

Contents of the Statistical Section

This part of the Forest Hills Public Schools' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health. Many of the schedules present data for the past fiscal years that will allow the reader to discern trends that cannot be seen in a single year's financial statement.

<u>Contents</u>	<u>Pages</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	79-92
<i>Revenue Capacity</i> These schedules contain information to help the reader assess locally levied taxes.	93-99
<i>Debt Capacity</i> These schedules present information to help the reader assess the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	100-102
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	103-104
<i>Operating Information</i> These schedules contain data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	105-108

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. Certain other information had not been presented previously. The reported numbers begin with the year for which information believed to be accurate is available.

Forest Hills Public Schools

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

<u>June 30,</u>	Fiscal Year			
	2016	2017	2018 ^a	2019
Governmental Activities				
Net investment in capital assets	\$ 72,267,183	\$ 82,442,482	\$ 92,670,159	\$ 100,659,291
Restricted	935,395	243,417	285,124	1,570,992
Unrestricted	(136,333,815)	(135,975,963)	(188,166,552)	(190,559,634)
Total Primary Government Net Position	\$ (63,131,237)	\$ (53,290,064)	\$ (95,211,269)	\$ (88,329,351)

Note:

^a Net position was restated for fiscal year 2018 as of July 1, 2017 with the implementation of GASB 75.

^b Net position was restated for fiscal year 2020 as of July 1, 2019 with the implementation of GASB 84.

^c Net position was restated for fiscal year 2025 as of July 1, 2024 with the implementation of GASB 101.

Forest Hills Public Schools

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

2020 ^b	2021	2022	2023	2024	2025 ^c
\$ 110,806,686	\$ 119,970,709	\$ 129,253,918	\$ 142,937,027	\$ 151,636,386	\$ 175,162,149
1,161,475	1,310,247	958,750	1,478,098	5,092,012	26,805,890
(197,715,793)	(201,866,251)	(188,480,980)	(186,120,260)	(169,146,503)	(160,667,805)
\$ (85,747,632)	\$ (80,585,295)	\$ (58,268,312)	\$ (41,705,135)	\$ (12,418,105)	\$ 41,300,234

Forest Hills Public Schools

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

Year ended June 30,	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental Activities				
Instruction	\$ 63,942,467	\$ 64,446,086	\$ 64,909,724	\$ 70,354,686
Support services	37,606,093	36,611,517	37,722,135	40,427,153
Community services	1,494,516	1,520,515	1,352,800	1,629,026
Food service	2,565,137	2,542,861	2,580,872	2,549,198
Child care services	1,014,040	970,161	1,015,337	1,159,741
Student/school activities				
Interest on long-term debt	6,559,298	6,936,259	6,117,609	5,325,769
Unallocated depreciation	9,479,078	10,006,310	9,998,473	10,678,607
 Total Expenses	 122,660,629	 123,033,709	 123,696,950	 132,124,180
 Program Revenues				
Governmental Activities				
Charges for services:				
Instruction	105,385	226,759	192,101	222,274
Support services	639,960	533,388	698,847	773,963
Community services	674,740	467,448	474,533	491,146
Food service	2,023,918	2,152,971	2,097,923	1,978,443
Child care services	1,300,817	1,315,603	1,302,002	1,427,693
Miscellaneous	204,653	126,249		
Operating grants and contributions	15,873,817	20,204,594	16,676,306	16,074,711
 Total Program Revenues	 20,823,290	 25,027,012	 21,441,712	 20,968,230
 Net Expense	 \$ (101,837,339)	 \$ (98,006,697)	 \$ (102,255,238)	 \$ (111,155,950)

Forest Hills Public Schools

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

	2020	2021	2022	2023	2024	2025
\$ 74,483,463	\$ 74,583,369	\$ 63,283,949	\$ 73,823,425	\$ 72,810,715	\$ 60,266,908	
42,062,600	44,410,770	40,903,737	46,041,659	49,994,788	35,040,011	
1,327,637	1,054,159	1,209,335	1,584,929	1,601,283	1,481,704	
2,662,245	2,873,152	3,600,705	4,047,081	4,461,263	4,481,972	
1,232,082	907,030	2,199,612	1,310,947	1,146,268	931,184	
2,260,699	1,128,646	938,659	2,608,731	2,469,660	2,651,481	
5,851,861	5,398,595	6,178,362	5,622,101	5,917,931	6,604,827	
<u>11,063,006</u>	<u>11,379,099</u>	<u>11,607,060</u>	<u>11,573,516</u>	<u>17,076,373</u>	<u>14,588,971</u>	
<u>140,943,593</u>	<u>141,734,820</u>	<u>129,921,419</u>	<u>146,612,389</u>	<u>155,478,281</u>	<u>126,047,058</u>	
115,137	14,313	147,912	174,676	146,377	84,375	
496,311	548,273	698,199	796,772	831,396	883,595	
386,553	45,780	412,786	483,512	461,782	494,633	
1,493,552	380,297	597,678	2,272,512	565,309	494,840	
1,007,100	585,583	1,055,552	1,055,560	1,026,071	1,067,144	
<u>20,183,849</u>	<u>25,333,479</u>	<u>31,102,663</u>	<u>33,348,878</u>	<u>49,530,071</u>	<u>44,565,568</u>	
<u>23,682,502</u>	<u>26,907,725</u>	<u>34,014,790</u>	<u>38,131,910</u>	<u>52,561,006</u>	<u>47,590,155</u>	
<u>\$ (117,261,091)</u>	<u>\$ (114,827,095)</u>	<u>\$ (95,906,629)</u>	<u>\$ (108,480,479)</u>	<u>\$ (102,917,275)</u>	<u>\$ (78,456,903)</u>	

Forest Hills Public Schools

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

<i>Year ended June 30,</i>	2016	2017	2018	Fiscal 2019
Net Expense	\$ (101,837,339)	\$ (98,006,697)	\$ (102,255,238)	\$ (111,155,950)
General Revenues				
Governmental Activities				
Taxes:				
Property taxes levied for general purposes	14,772,583	14,660,861	15,433,724	16,207,936
Property taxes levied for debt service	24,304,723	23,963,417	24,804,807	23,413,091
Property taxes levied for recreation	3,146,080	3,147,568	3,259,954	3,369,128
Local revenue in lieu of taxes	270,335	116,852	121,544	111,359
Unrestricted state aid	64,641,082	64,681,612	64,057,748	64,048,028
Investment earnings	107,140	213,705	374,404	824,567
Intermediate sources			8,495,931	8,942,727
Miscellaneous	1,037,569	1,063,855	1,072,077	1,121,032
Total General Revenues	108,279,512	107,847,870	117,620,189	118,037,868
Change in Net Position	\$ 6,442,173	\$ 9,841,173	\$ 15,364,951	\$ 6,881,918

Forest Hills Public Schools

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

Year	2020	2021	2022	2023	2024	2025
	\$ (117,261,091)	\$ (114,827,095)	\$ (95,906,629)	\$ (108,480,479)	\$ (102,917,275)	\$ (78,456,903)
17,456,180	18,038,908	18,338,415	19,111,423	20,658,627	23,178,365	
23,744,916	24,830,124	23,419,152	24,459,297	26,232,218	28,335,951	
3,551,034	3,701,731	3,779,438	3,968,025	4,253,487	4,655,966	
111,582	110,602	102,063	97,777	98,335	80,601	
61,669,844	62,722,016	61,165,891	63,048,075	64,825,871	61,087,848	
1,056,658	160,144	179,442	2,455,257	4,845,676	2,994,309	
9,289,045	9,521,627	9,704,487	10,704,165	10,632,174	11,805,711	
866,517	904,280	1,534,724	1,199,637	657,917	815,076	
117,745,776	119,989,432	118,223,612	125,043,656	132,204,305	132,953,827	
\$ 484,685	\$ 5,162,337	\$ 22,316,983	\$ 16,563,177	\$ 29,287,030	\$ 54,496,924	

Forest Hills Public Schools

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

<u>June 30,</u>	2016	2017	2018	Fiscal 2019
General Fund				
Nonspendable	\$ 221,789	\$ 248,562	\$ 241,287	\$ 269,407
Assigned			918,349	550,190
Unassigned	12,348,461	12,120,027	14,922,052	17,559,749
Total General Fund	\$ 12,570,250	\$ 12,368,589	\$ 16,081,688	\$ 18,379,346
All Other Governmental Funds				
Nonspendable	\$ 33,179	\$ 255,618	\$ 225,000	\$ 225,000
Restricted for capital projects	25,045,775	^a 18,648,481	10,509,566	41,370,207 ^a
Restricted for debt service	2,128,397	1,288,196	1,178,837	2,428,199
Restricted for food service	277,152	313,505	426,293	603,127
Committed for child care program			1,000,525	1,182,401
Committed for student/school activities			81,760	
Assigned	740,998	921,933		
Total All Other Governmental Funds	\$ 28,225,501	\$ 21,427,733	\$ 13,421,981	\$ 45,808,934

Notes:

^a Increase in fund balance due to receipt of bond proceeds.

^b Fund balance was restated for fiscal year 2020 as of July 1, 2019 with the implementation of GASB 84.

Forest Hills Public Schools

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

Year	2020	2021	2022	2023	2024	2025
	\$ 105,314	\$ 142,069	\$ 177,847	\$ 486,469	\$ 511,090	\$ 530,175
	5,465,249	5,138,838	3,749,356	594,356	1,505,210	8,387,688
	14,143,557	16,445,121	14,724,520	17,480,022	22,455,958	19,147,858
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 19,714,120	\$ 21,726,028	\$ 18,651,723	\$ 18,560,847	\$ 24,472,258	\$ 28,065,721
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 240,890
	31,352,534	68,563,820 ^a	51,655,122	58,637,896 ^a	32,626,732	187,371,191 ^a
	2,045,738	2,356,291	1,883,875	2,474,574	2,485,755	2,913,116
	706,564	1,051,124	2,072,180	1,648,366	1,811,710	1,854,624
	933,395	537,535	1,200,107	2,406,920	2,184,993	2,035,048
	2,071,525 ^b	2,232,706	2,332,837	2,407,641	2,618,597	2,544,634
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 37,334,756	\$ 74,966,476	\$ 59,369,121	\$ 67,800,397	\$ 41,952,787	\$ 196,959,503

Forest Hills Public Schools

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

<i>Year ended June 30,</i>	2016	2017	2018	Fiscal 2019
Revenues				
Federal Sources				
Federal grants	\$ 1,984,216	\$ 1,666,726	\$ 2,073,578	\$ 2,010,533
Food service fund	642,134	661,469	686,734	701,751
Child care fund				
Total federal sources	2,626,350	2,328,195	2,760,312	2,712,284
State Sources				
Restricted	11,115,341	11,554,483	13,191,626	13,218,996
Unrestricted	64,641,082	64,681,612	64,057,748	64,048,028
Total state sources	75,756,423	76,236,095	77,249,374	77,267,024
Other Governmental Units				
Kent ISD Act 18 special education millage	4,289,356	4,478,149	4,632,875	4,782,967
Miscellaneous	1,854,899	1,912,304	3,863,056	4,159,760
Total other governmental units	6,144,255	6,390,453	8,495,931	8,942,727
Local Sources				
Property taxes	42,223,386	41,771,846	43,498,485	42,990,155
Food service fund	2,025,611	2,157,340	2,105,935	1,992,258
Student/school activities fund ^a				
Child care fund	1,301,559	1,319,144	1,312,498	1,446,127
Interest and other income	107,140	213,705	374,410	824,567
Miscellaneous	3,282,827	2,924,277	3,165,758	3,136,251
Total local sources	48,940,523	48,386,312	50,457,086	50,389,358
Total Revenues	\$ 133,467,551	\$ 133,341,055	\$ 138,962,703	\$ 139,311,393

Notes:

^a The District created a new special revenue fund in fiscal year 2020 when it implemented GASB 84.

Forest Hills Public Schools
Governmental Funds Revenues, Last Ten Fiscal Years
(modified accrual basis of accounting)

Year	2020	2021	2022	2023	2024	2025
\$	2,372,909	\$ 6,153,024	\$ 4,944,553	\$ 6,254,273	\$ 8,200,779	\$ 2,830,538
	1,296,775	2,940,020	4,521,565	1,546,906	1,653,510	1,328,697
			847,283		1,600,478	
	<u>3,669,684</u>	<u>9,093,044</u>	<u>10,313,401</u>	<u>9,401,657</u>	<u>9,854,289</u>	<u>4,159,235</u>
13,951,199	15,720,472	20,236,381	28,827,580	31,278,844	33,604,151	
61,669,844	62,722,016	60,950,988	63,048,075	64,825,871	61,087,848	
<u>75,621,043</u>	<u>78,442,488</u>	<u>81,187,369</u>	<u>91,875,655</u>	<u>96,104,715</u>	<u>94,691,999</u>	
4,885,157	4,873,531	5,158,871	5,663,698	5,886,470	6,419,413	
4,403,888	4,648,096	4,545,616	5,040,467	4,748,063	5,386,298	
<u>9,289,045</u>	<u>9,521,627</u>	<u>9,704,487</u>	<u>10,704,165</u>	<u>10,634,533</u>	<u>11,805,711</u>	
44,752,130	46,570,763	45,537,005	47,538,745	51,144,332	56,170,282	
1,507,952	382,495	600,677	2,272,512	631,536	551,917	
2,235,190	1,289,827	2,299,743	2,597,175	2,792,897	2,585,765	
1,023,804	587,712	1,056,170	1,055,560	1,144,206	1,161,034	
1,056,658	160,144	179,442	2,455,257	4,845,676	4,482,774	
2,048,420	1,919,200	3,042,536	3,546,361	2,155,948	2,267,900	
<u>52,624,154</u>	<u>50,910,141</u>	<u>52,715,573</u>	<u>59,465,610</u>	<u>62,714,595</u>	<u>67,219,672</u>	
<u>\$ 141,203,926</u>	<u>\$ 147,967,300</u>	<u>\$ 153,920,830</u>	<u>\$ 171,447,087</u>	<u>\$ 179,308,132</u>	<u>\$ 177,876,617</u>	

Forest Hills Public Schools

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

<i>Year ended June 30,</i>	2016	2017	2018	Fiscal 2019
Expenditures				
Instruction	\$ 64,173,122	\$ 64,936,029	\$ 65,668,519	\$ 66,979,794
Pupil support services	7,443,937	7,449,946	7,529,705	7,916,550
Instructional support services	4,202,874	3,552,356	3,879,852	3,959,308
General administration	603,474	679,542	612,036	611,116
School administration	5,967,970	6,060,846	6,073,686	6,218,751
Business services	1,517,307	1,391,825	1,364,554	1,437,176
Operation and maintenance of plant	8,592,344	9,053,422	8,991,026	9,348,951
Pupil transportation services	5,113,062	5,189,040	5,125,520	5,476,337
Central support services	2,743,929	3,020,713	2,941,339	2,756,769
Other support services	2,215,106	2,214,779	2,253,608	2,352,810
Community services	1,514,292	1,527,074	1,365,708	1,606,060
Food service fund	2,574,089	2,547,840	2,630,140	2,533,428
Student/school activities fund ^a				
Child care fund	1,019,197	973,138	1,025,684	1,114,619
Capital outlay	7,689,855	6,476,189	7,323,935	6,463,646
Non-capitalized outlay	513,624	33,523	913,490	754,243
Debt service				
Principal	16,780,000	18,175,000	19,310,000	17,670,000
Interest and other	8,143,839	7,087,167	6,271,228	5,365,464
Payment to escrow agent				
Bond issuance costs				247,420
Outgoing transfers and other				
Total Expenditures	\$ 140,808,021	\$ 140,368,429	\$ 143,280,030	\$ 142,812,442

Debt Service as a Percentage of

Noncapital Expenditures	18.7%	18.9%	18.8%	16.9%
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Notes:

^a The District created a new special revenue fund in fiscal year 2020 when it implemented GASB 84.

Forest Hills Public Schools

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

Year	2020	2021	2022	2023	2024	2025
\$	67,262,504	\$ 71,048,510	\$ 75,883,294	\$ 81,386,817	\$ 80,438,536	\$ 76,896,951
7,958,453	8,214,945	9,510,031	9,417,084	9,682,594	10,905,625	
3,979,389	3,999,061	4,581,044	5,729,091	5,734,166	5,956,303	
614,505	607,606	659,024	1,005,932	667,468	910,939	
6,495,966	6,695,187	6,933,714	7,617,442	7,675,887	7,312,997	
1,446,029	1,617,289	1,738,452	1,917,825	1,689,442	1,765,940	
9,307,882	10,764,524	11,088,038	12,408,594	12,878,164	13,252,699	
5,090,759	4,786,115	5,427,012	6,538,360	6,222,420	5,878,668	
3,061,829	3,872,357	3,568,406	4,505,297	4,005,483	4,976,853	
2,572,578	2,896,256	3,078,921	3,350,349	3,534,376	3,473,600	
1,244,055	1,015,621	1,365,089	1,701,815	1,697,325	1,715,454	
2,624,078	2,877,408	3,732,280	3,454,610	4,602,907	4,864,730	
2,260,699	1,128,646	2,199,612	2,608,731	2,581,941	2,651,481	
1,122,810	868,572	1,088,747	1,196,108	1,185,487	1,164,906	
10,106,250	24,527,721	17,451,956	24,853,127	28,508,112	37,832,451	
511,885	1,091,209			767,902		
18,840,000	19,925,000	18,150,000	19,465,365	20,927,433	24,233,757	
6,064,472	5,239,364	6,302,364	5,659,458	6,009,878	5,172,278	
				10,053,224		
126,967	357,287		232,965	129,954	1,061,586	
				163,200	211,200	
\$ 150,691,110	\$ 171,532,678	\$ 172,757,984	\$ 193,048,970	\$ 209,155,899	\$ 210,238,418	
17.7%	17.1%	15.7%	14.9%	14.9%	17.1%	

Forest Hills Public Schools

Other Financing Sources (Uses) and Net Change in Fund Balances, Governmental Funds, Last Ten Fiscal Years (modified accrual basis of accounting)

<i>Year ended June 30,</i>	2016	2017	2018	Fiscal 2019
Deficiency of Revenues Over Expenditures	\$ (7,340,470)	\$ (7,027,374)	\$ (4,317,327)	\$ (3,501,049)
Other Financing Sources (Uses)				
Issuance of bonds	48,130,000			31,950,000
Premium on bonds issued	8,688,632			6,159,428
Payment to escrow agent	(37,279,524)			
Proceeds from sale of capital assets	72,000	27,945	24,674	76,232
Proceeds from subscription-based IT				
Transfers in	295,300	284,100	285,000	300,011
Transfers out	(295,300)	(284,100)	(285,000)	(300,011)
Total Other Financing Sources (Uses)	19,611,108	27,945	24,674	38,185,660
Net Change in Fund Balances	\$ 12,270,638	\$ (6,999,429)	\$ (4,292,653)	\$ 34,684,611

Forest Hills Public Schools

Other Financing Sources (Uses) and Net Change in Fund Balances, Governmental Funds, Last Ten Fiscal Years (modified accrual basis of accounting)

Year	2020	2021	2022	2023	2024	2025
	\$ (9,487,184)	\$ (23,565,378)	\$ (18,837,154)	\$ (21,601,883)	\$ (29,847,767)	\$ (32,361,801)
9,670,000	55,350,000			25,550,000	9,500,000	171,340,000
1,302,057	7,808,682			3,536,019	131,955	19,176,133
(10,845,090)						
123,779	50,324	165,494	124,285	71,165	100,038	
			731,979	208,448	345,809	
300,011	265,011	300,013	350,013	380,013	380,014	
(300,011)	(265,011)	(300,013)	(350,013)	(380,013)	(380,014)	
	250,746	63,209,006	165,494	29,942,283	9,911,568	190,961,980
	\$ (9,236,438)	\$ 39,643,628	\$ (18,671,660)	\$ 8,340,400	\$ (19,936,199)	\$ 158,600,179

Forest Hills Public Schools

Taxable Value and Actual Value of Taxable Property, Last Ten Fiscal Years (rate per \$1,000 of assessed value)

<i>Tax Year</i>	<i>Fiscal Year</i>	<i>Estimated Market Value</i>	<i>State Equalized Value</i>
2015	2015 - 2016	\$ 6,895,839,800	\$ 3,447,919,900
2016	2016 - 2017	7,178,210,000	3,589,105,000
2017	2017 - 2018	7,630,152,600	3,815,076,300
2018	2018 - 2019	7,872,913,000	3,936,456,500
2019	2019 - 2020	8,420,064,600	4,210,032,300
2020	2020 - 2021	8,944,665,484	4,472,332,742
2021	2021 - 2022	9,383,236,600	4,691,618,300
2022	2022 - 2023	9,985,594,000	4,992,797,000
2023	2023 - 2024	11,121,277,200	5,560,638,600
2024	2024 - 2025	12,588,015,278	6,294,007,639

Source: County Equalization Department.

Notes: State Equalized Value is estimated at 50% of market value. Taxable Value is basis for tax levy.

Annual growth for property limited to 5% or inflation whichever is less. Other millage includes Recreation millage from 2004 to present. Operating millage applied only against Non-Principal Residence exempt property. All other taxes applied against total Taxable Value.

Forest Hills Public Schools

Taxable Value and Actual Value of Taxable Property, Last Ten Fiscal Years (rate per \$1,000 of assessed value)

Non-Personal Residence Exempt Property	Taxable Value			Direct Tax Rates			
	Personal Residence Exempt Property		Total	Operating	Debt	Other	Total
\$ 1,003,321,811	\$ 2,143,385,037	\$ 3,146,706,848	18.0000	7.7000	1.0000	26.7000	
959,573,729	2,209,772,685	3,169,346,414	18.0000	7.6000	1.0000	26.6000	
963,934,585	2,294,815,852	3,258,750,437	18.0000	7.6000	1.0000	26.6000	
1,007,626,269	2,393,607,163	3,401,233,432	18.0000	6.9000	0.9973	25.8973	
1,077,201,515	2,501,997,537	3,579,199,052	17.9184	6.6500	0.9945	25.5629	
1,112,276,005	2,614,743,138	3,727,019,143	17.8467	6.6500	0.9901	25.4868	
1,131,807,888	2,709,490,550	3,841,298,438	17.7824	6.1000	0.9845	24.8669	
1,180,167,547	2,859,088,995	4,039,256,542	17.6614	6.0500	0.9815	24.6929	
1,273,726,918	3,073,735,625	4,347,462,543	17.6614	6.0500	0.9815	24.6929	
1,384,341,254	3,304,503,500	4,688,844,754	18.0000	6.0500	0.9946	25.0446	

Forest Hills Public Schools

Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years (rate per \$1,000 of assessed value)

Tax Year	Fiscal Year	Direct Tax Rates			
		Operating	Debt	Other	Total
2015	2015 - 2016	18.0000	7.7000	1.0000	26.7000
2016	2016 - 2017	18.0000	7.6000	1.0000	26.6000
2017	2017 - 2018	18.0000	7.6000	1.0000	26.6000
2018	2018 - 2019	18.0000	6.9000	0.9973	25.8973
2019	2019 - 2020	17.9184	6.6500	0.9945	25.5629
2020	2020 - 2021	17.8467	6.6500	0.9901	25.4868
2021	2021 - 2022	17.7824	6.1000	0.9845	24.8669
2022	2022 - 2023	17.6614	6.0500	0.9815	24.6929
2023	2023 - 2024	17.6614	6.0500	0.9815	24.6929
2024	2024 - 2025	18.0000	6.0500	0.9946	25.0446

Source: County Equalization Department.

Note: Other millage includes Recreation millage from 2004 to present. Operating millage applied only against

Forest Hills Public Schools

Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years (rate per \$1,000 of assessed value)

Overlapping Rates					
Ada Township	Cannon Township	Cascade Township	Grand Rapids Township	City of Grand Rapids	City of Kentwood
2.7861	2.1170	3.5244	1.5995	9.1515	9.6066
2.7371	2.1817	3.5244	1.5995	9.1166	9.6066
2.8379	2.3523	3.5244	1.5995	9.0258	9.6066
2.8383	2.2222	3.4623	1.5995	8.9710	9.6066
2.7716	2.2991	3.4623	1.5995	8.9011	9.6066
2.9583	2.2622	3.4471	1.5995	8.8070	9.6066
3.9730	2.2268	3.4381	1.5995	8.9950	9.5459
4.4168	2.6839	3.4312	1.5995	8.8331	9.4780
4.4168	2.6466	3.4312	1.5000	9.0325	9.4780
4.3697	2.6451	3.9964	1.5000	8.9544	12.3127

Forest Hills Public Schools
Principal Property Taxpayers, Current Year and Nine Years Ago

Year ended December 31,

Taxpayer	Ad Valorem Taxable Value	Rank	2024		IFT and Taxable Value
			Percentage of Total Taxable Value	Equivalent Industrial Facilities Tax (IFT)	
Amway Corporation	\$ 87,610,829	1	1.87%		\$ 87,610,829
Continental 627 Fund LLC	21,985,155	2	0.47%		21,985,155
Access Logistics Limited Partner	20,829,905	3	0.44%		20,829,905
Access Business Group LLC	16,956,583	4	0.36%		16,956,583
Country Club Manor	16,362,458	5	0.35%		16,362,458
Porter Hills Presbyterian Village	15,772,847	6	0.34%		15,772,847
BHIP Stone Falls LLC	15,677,000	7	0.33%		15,677,000
Continental 362 Fund LLC	14,718,074	8	0.31%		14,718,074
Heritage Pointe Ventures II LLC	14,169,574	9	0.30%		14,169,574
Fifth Third Bank	13,347,929	10	0.27%		13,347,929
Meijer Inc./Thrifty Kraft Inc.					
Paragon Die & Engineering					
GE Aviation Systems LLC					
Jonicia & Todk Ridge					
Alticor					
Ada Cogeneration LP					
Total principal taxpayers	237,430,354		5.04%		237,430,354
Balance of valuations	4,451,414,400		94.96%		
Total Ad Valorem Valuation	\$ 4,688,844,754		100.00%		

Source: School District Local Tax Units.

Forest Hills Public Schools
Principal Property Taxpayers, Current Year and Nine Years Ago

2015					
Taxable Value	Rank	Percentage of Total Taxable Value	Equivalent Industrial Facilities Tax (IFT)	IFT and Taxable Value	
\$ 65,798,153	2	2.25%		\$ 65,798,153	
23,343,157	3	0.80%		23,343,157	
102,560,176	1	3.51%		102,560,176	
12,050,079	10	0.41%		12,050,079	
19,949,285	5	0.68%		19,949,285	
14,536,806	6	0.50%	\$ 2,377,200	16,914,006	
21,717,800	4	0.74%		21,717,800	
12,726,053	9	0.44%		12,726,053	
14,503,456	7	0.50%		14,503,456	
14,184,600	8	0.49%		14,184,600	
301,369,565		10.32%	2,377,200	303,746,765	
2,621,047,510		89.68%			
\$ 2,922,417,075		100.00%			

Forest Hills Public Schools

Property Tax Levies and Collections, Last Ten Fiscal Years

Tax Year	Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections (Refunds) in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2015	2015 - 2016	\$ 42,387,423	\$ 42,366,712	99.95%		\$ 42,366,712	99.95%
2016	2016 - 2017	42,319,919	42,237,897	99.81%	\$ (638,240)	41,599,657	98.30%
2017	2017 - 2018	43,528,544	43,495,226	99.92%	(27,784)	43,467,442	99.86%
2018	2018 - 2019	43,135,797	43,146,520	100.02%	(171,620)	42,974,900	99.63%
2019	2019 - 2020	44,784,812	44,943,863	100.36%	(191,732)	44,752,131	99.93%
2020	2020 - 2021	46,664,997	46,844,935	100.39%	(195,375)	46,649,560	99.97%
2021	2021 - 2022	45,629,077	45,670,501	100.09%	(158,350)	45,512,151	99.74%
2022	2022 - 2023	47,713,067	47,636,522	99.84%	(112,833)	47,523,689	99.60%
2023	2023 - 2024	51,553,190	51,627,732	100.14%	(172,812)	51,454,920	99.81%
2024	2024 - 2025	59,213,935	56,477,945	95.38%	(347,412)	56,130,533	94.79%

Sources: Kent County Equalization Department and District records.

Beginning in tax year 2016, collections and refunds related to previous years are being reported in the year they were collected.

Forest Hills Public Schools

Outstanding Debt by Type, Last Ten Fiscal Years

<i>Tax Year</i>	<i>Fiscal Year</i>	<i>Outstanding Debt</i>	<i>Total Taxable Value</i>	<i>Outstanding Debt as a % of Taxable Value</i>	<i>Estimated Population</i>	<i>Outstanding Debt Per Capita</i>	<i>Taxable Value Per Capita</i>
2015	2015 - 2016	\$ 173,737,250	\$ 3,146,706,848	5.52%	52,664	\$ 3,299	\$ 59,751
2016	2016 - 2017	153,304,009	3,169,346,414	4.84%	53,677	2,856	59,045
2017	2017 - 2018	131,735,768	3,258,750,437	4.04%	48,895	2,694	66,648
2018	2018 - 2019	149,865,205	3,401,233,432	4.41%	52,725	2,842	64,509
2019	2019 - 2020	128,318,598	3,579,199,052	3.59%	54,773	2,343	65,346
2020	2020 - 2021	169,069,334	3,727,019,143	4.54%	54,810	3,085	67,999
2021	2021 - 2022	148,762,856	3,841,298,438	3.87%	55,008	2,704	69,832
2022	2022 - 2023	156,504,938	4,039,256,542	3.87%	54,116	2,892	74,641
2023	2023 - 2024	132,826,482	4,347,462,543	3.06%	53,722	2,472	80,925
2024	2024 - 2025	296,868,491	4,688,844,754	6.33%	53,722	5,526	87,280

Sources: Kent County Equalization Department, Census Bureau estimates, District records.

Note: All outstanding debt is general obligation-unlimited tax debt.

Forest Hills Public Schools

Direct and Overlapping Governmental Activities Debt as of June 30, 2025

<i>Governmental Unit</i>	Debt Outstanding	Estimated Applicable Percentage	Estimated Share of Direct and Overlapping Debt
Ada Township	\$ 25,940,000	89.18%	\$ 23,133,292
Cannon Township	4,465,000	1.33%	59,385
Cascade Township	6,068,000	82.64%	5,014,595
City of Grand Rapids	333,650,000	1.46%	4,871,290
City of Kentwood	22,908,672	9.20%	2,107,598
Kent County	57,090,000	13.85%	7,906,965
Grand Rapids Community College	16,175,000	13.38%	2,164,215
Subtotal, overlapping debt			<u>45,257,340</u>
District Direct Debt			<u>296,868,491</u>
Total Direct and Overlapping Debt			<u>\$ 342,125,831</u>

Sources: Municipal Advisory Council of Michigan.

Forest Hills Public Schools

Legal Debt Margin Information, Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2024-2025:

State Equalized Valuation (SEV), July 1, 2024	\$ 6,294,007,639
Statutory Debt Limit (15% of SEV)	944,101,146
Debt applicable to limit	342,125,831

Legal Debt Margin	\$ 601,975,315
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<i>Tax Year</i>	<i>Fiscal Year</i>	State	Statutory Debt	Debt		<i>Legal Debt Margin</i>	<i>Debt as a Percentage of Debt Limit</i>
		Equalized Value (SEV)	Limit 15% of SEV	Subject to Debt Limit			
2015	2015 - 2016	\$ 3,447,919,900	\$ 517,187,985	\$ 210,911,674	\$ 306,578,401		40.78%
2016	2016 - 2017	3,589,105,000	538,365,750	194,580,809	343,784,941		36.14%
2017	2017 - 2018	3,815,076,300	572,261,445	173,174,536	399,086,909		30.26%
2018	2018 - 2019	3,936,456,500	590,468,475	189,889,418	400,579,057		32.16%
2019	2019 - 2020	4,210,032,300	631,504,845	192,641,925	418,157,183		30.51%
2020	2020 - 2021	4,472,332,742	670,849,911	209,224,141	461,625,770		31.19%
2021	2021 - 2022	4,691,618,300	703,742,745	188,917,663	494,518,604		26.84%
2022	2022 - 2023	4,992,797,000	748,919,550	204,751,500	544,168,052		27.34%
2023	2023 - 2024	5,560,638,600	834,095,790	176,348,342	657,747,449		21.14%
2024	2024 - 2025	6,294,007,639	944,101,146	342,125,831	601,975,315		36.24%

Notes: Personal Income data is located in the Demographic and Economic Statistics table.

Forest Hills Public Schools

Demographic and Economic Statistics, Last Ten Calendar Years

Calendar Year	Estimated Population ^a	Unemployment ^b			Inflation Rate ^c	Personal Income ^d	
		City of Grand Rapids *	County of Kent	State of Michigan		Total	Per Capita
2015	52,664	3.7%	3.4%	4.6%	0.7%	\$ 47,121,348	45,371
2016	53,677	3.4%	3.4%	4.9%	2.1%	48,709,641	46,519
2017	53,780	3.6%	3.5%	4.6%	2.1%	51,537,497	48,661
2018	52,725	2.8%	3.3%	4.2%	2.1%	54,119,648	50,463
2019	54,773	2.9%	2.9%	4.1%	2.3%	54,223,857	50,330
2020	54,810	7.5%	7.7%	10.0%	1.4%	58,433,902	54,037
2021	55,008	3.9%	3.2%	5.1%	7.0%	61,939,936	56,569
2022	55,133	3.5%	3.7%	4.3%	7.0%	64,417,533	56,813
2023	55,268	4.0%	4.0%	4.4%	3.4%	67,983,934	62,131
2024	54,539	4.4%	4.4%	5.5%	2.9%	71,707,445	65,239

Notes:

^a U.S. Census Bureau and estimated.

^b Federal Reserve Economic Data.

* Grand Rapids-Wyoming Metropolitan Statistical Area.

^c U. S. Department of Labor - Bureau of Labor Statistics.

National Consumer price index measured December to December.

^d U.S. Department of Commerce, Bureau of Economic Analysis and Grand Rapids Metropolitan Statistical Area.

Total Personal Income reported in thousands.

Forest Hills Public Schools
Principal Employers in West Michigan, Current Year and 2015

<i>Year ended December 31,</i>	2024			2015		
	<i>Employer</i>	Employees	Rank	Percentage of Total Employment	Employees	Rank
Corewell (formerly Spectrum) Health	25,000	1	4.2%	22,000	1	4.1%
Trinity (Mercy) Health	8,500	2	1.4%			
Meritage Hospitality Group Inc	7,000	3	1.2%			
Gordon Food Service Inc.	5,000	4	0.8%			
Meijer Inc.	5,000	5	0.8%	10,343	2	1.9%
Gentex Corporation	4,500	6	0.8%	3,900	5	0.7%
MillerKnoll (Herman Miller Inc)	3,600	7	0.6%			
Perrigo Company	3,500	8	0.6%	3,800	6	0.7%
Farmers Insurance Group	3,500	9	0.6%			
Steelcase Inc.	3,400	10	0.6%			
Mercy General Health Partners				3,500	8	0.7%
Amway Corporation				6,500	3	1.2%
Herman Miller Inc.				4,000	4	0.7%
Magna International Inc.				3,621	7	0.7%
Grand Valley State University				2,950	10	0.6%
Total Principal Employers	69,000		11.7%	63,920		12.0%
Total Employment Base	590,855			534,713		

Source: The Right Place Inc. of Greater Grand Rapids.

Forest Hills Public Schools

Full-Time-Equivalent District Employees by Type, Last Ten Fiscal Years

Employee Category	Full-Time-Equivalent Employees as of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administrators	37	37	38	39	43	43	46	45	43	44
Teachers	551	538	529	528	536	559	552	569	571	577
Clerical/secretarial	78	78	76	68	71	61	80	70	76	76
Instructional aides	140	96	82	81	72	100	95	118	99	99
Maintenance/custodial/food service	113	106	106	106	114	130	98	130	115	149
Transportation	53	44	41	39	40	42	34	42	44	44
Daycare	16	19	12	11	12	11	13	13	12	18
Non-classified/other	83	78	82	82	82	105	57	99	83	87
Total	1,071	996	966	954	970	1,051	975	1,086	1,043	1,094

Source: Michigan Department of Education Registry of Educational Personnel and District Records

Forest Hills Public Schools

Operating Statistics, Last Ten Fiscal Years

<i>Fiscal Year</i>	<i>Enrollment^a</i>	<i>Percent Change</i>	<i>Operating Expenditures^b</i>	<i>Percent Change</i>	<i>Cost Per Pupil</i>	<i>Percent Change</i>	<i>Percent of Students Receiving Free or Reduced-Price Meals^c</i>
2015 - 2016	9,978	-0.92%	\$ 104,087,417	-1.08%	10,446	-0.02%	10.10%
2016 - 2017	9,890	-0.88%	105,075,572	0.95%	10,624	1.71%	10.10%
2017 - 2018	9,834	-0.57%	105,805,643	0.69%	10,759	1.27%	10.10%
2018 - 2019	9,764	-0.71%	108,663,629	2.70%	11,129	3.44%	10.10%
2019 - 2020	9,709	-0.56%	109,033,985	0.34%	11,230	0.91%	11.60%
2020 - 2021	9,625	-0.87%	115,517,471	5.95%	12,002	6.87%	11.60%
2021 - 2022	9,319	-3.18%	123,843,025	7.21%	13,289	10.73%	13.59%
2022 - 2023	9,200	-1.28%	136,057,345	9.86%	14,789	11.28%	13.59%
2023 - 2024	9,077	-1.34%	134,777,324	-0.94%	14,848	0.40%	13.59%
2024 - 2025	8,850	-2.50%	133,558,867	-0.90%	15,091	1.64%	12.36%

Sources:

^a District enrollment records audited by Intermediate School District.

^b District financial statements as audited.

^c State of Michigan Center for Educational Performance and Information (CEPI).

Forest Hills Public Schools

School Building Information

<i>Site</i>	Grade Configuration	Acreage	Date Originally Constructed	Additions	Square Feet
Ada Elementary	K-4	15.28	1968	1992, 2003, 2004, 2009	65,185
Ada Vista Elementary	K-4	8.79	1971	2003, 2004, 2009	61,454
Collins Elementary	K-4	12.40	1954	1991, 2004, 2009, 2021, 2023	61,221
Meadow Brook Elementary	K-4	33.26	1992	1996, 2004, 2010	88,930
Pine Ridge Elementary	K-4	27.51	1975	1991, 2002, 2004, 2010	61,750
Thornapple Elementary	K-4	10.04	1959	1996, 2002, 2004, 2008, 2023	58,374
Knapp Forest Elementary	K-5	24.71	2003	2004, 2010	96,654
Orchard View Elementary	K-5	10.65	1959	1991, 1996, 2002, 2004, 2008, 2019, 2021	79,118
Central Woodlands	5-6	51.67	1997	2004, 2009, 2010	85,678
Goodwillie Environmental	5-6	19.54	2000	2004, 2009	11,786
Northern Trails	5-6	36.58	1997	2004, 2009	85,678
Central Middle	7-8	29.61	1965	1990, 2002, 2004, 2009	137,584
Northern Hills Middle	7-8	35.08	1977	1990, 2002, 2004, 2008	115,025
Eastern High/Middle	6-12	114.72	2004	2005, 2010, 2014-2015, 2021, 2025	374,560
Central High	9-12	54.87	1956	1990, 1995, 2003, 2004, 2009	264,833
Northern High	9-12	55.35	1972	1990, 1995, 2003, 2004, 2008, 2009, 2019, 2021	255,564
Transition Center - New	Varies	Incl in New Admin Bldg	2024		5,245
Transition Center - Old	Varies		2005		3,500

Forest Hills Public Schools

School Building Information

<i>Site</i>	Grade Configuration	Acreage	Date Originally Constructed	Additions	Square Feet
Administration Building - New	N/A	1.00	2024		23,065
Administration Building - Old	N/A	8.59	1951		23,268
Community and Aquatic Center	N/A	18.00	1990	2009	37,900
Fine Arts Center	N/A	27.16	2004		61,850
Operations/Food Service	N/A	5.782	2000		12,438
Buildings and Grounds	N/A	1.065	1970	2010	12,528
Transportation	N/A	26.21	1999		12,000
<u>A.C.E. Building</u>	<u>N/A</u>	<u>0.88</u>	<u>approx. 1865</u>		<u>950</u>
EM/H Knapp Property 5952 Knapp St	N/A	20.00			
Alta Dale Property 110-120 Alta Dale SE	N/A	1.70			
Buttrick Property 2280 Buttrick SE	N/A	59.07			
Fulton - Spaulding Property	N/A	7.47			
Honey Creek Property 520 Honey Creek NE	N/A	14.06			
<u>Crew Building/Property</u>	<u>N/A</u>	<u>2.31</u>			<u></u>

Source: District records.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education
Forest Hills Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Forest Hills Public Schools (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Maner Costerian PC

October 14, 2025



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October 14, 2025

To the Board of Education
Forest Hills Public Schools

In planning and performing our audit of the financial statements of Forest Hills Public Schools as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered Forest Hills Public Schools' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted one matter involving the internal control and other operational matters that is presented for your consideration. This letter does not affect our report dated October 14, 2025 on the financial statements of Forest Hills Public Schools. We will review the status of this comment during our next audit engagement. Our comment and recommendation, which has been discussed with appropriate members of management, is intended to improve the internal control, or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, perform any additional study of this matter, or assist you in implementing the recommendation. Our comment is summarized as follows.

Food Service Fund Balance (Prior Year Comment)

Per Michigan Department of Education (MDE) guidelines, school food authorities (SFA) must operate food services on a nonprofit basis. During our prior year audit procedures, we noted that the fund balance of Forest Hills Public Schools' food service fund exceeded the maximum set by the USDA, which is three months' average operating expenditures. MDE requires that the SFA spend down the excess by the end of the next school year. We recommended that Forest Hills Public Schools make an effort to spend down the excess.

Status: The District continues to have a fund balance in excess of three months' average operating expenditures. The District has purchases planned to aid in lowering this balance in the subsequent year; however, as of June 30, 2025, the fund balance is still in excess of allowable limits.

This report is intended solely for the information and use of management and others within the District and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation we received from your staff during our engagement and the opportunity to be of service.

Very truly yours,

Maner Costerisan PC



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October 14, 2025

To the Board of Education
Forest Hills Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Forest Hills Public Schools for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Forest Hills Public Schools are described in Note 1 to the financial statements. As described in Note 13 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101 *Compensated Absences*, during the year ended June 30, 2025. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. We noted no transactions entered into by Forest Hills Public Schools during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements of the governmental activities were:

Estimates have been used to calculate the net pension liability and the net other postemployment benefit liability. We evaluated the key factors and assumptions used to develop the balance of the net pension liability and net other postemployment benefit liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the discount rate used for leases, the lease term and lease payments/receipts is based on the Forest Hills Public Schools incremental borrowing rate and consideration of the noncancelable period of the lease and reasonably certain lease options.

Management's calculation of the accrued compensated absences is based on current hourly rates, historical usage, and policies regarding payment of sick and vacation banks.

Management's determination of the estimated life span of the capital assets. We evaluated the key factors and assumptions used by management to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole. In addition, certain amounts included in capital assets have been estimated based on an outside appraisal company.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We did not identify any sensitive disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 14, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Forest Hills Public Schools financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Forest Hills Public Schools auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the statistical information, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on.

Restriction on Use

This information is intended solely for the use of the management and members of the Board of Education of Forest Hills Public Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Manes Costerman PC