

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 6, 2026

NEW ISSUE—Book-Entry-Only

RATING†*: S&P Global Ratings “A+”

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



\$30,000,000**
WHITEHALL DISTRICT SCHOOLS
COUNTY OF MUSKEGON, STATE OF MICHIGAN
2026 SCHOOL BUILDING AND SITE BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)

Dated: Date of Delivery

Due: May 1, as shown below

On November 4, 2025, the qualified electors of the Whitehall District Schools, County of Muskegon, State of Michigan (the “School District”) approved the issuance of bonds in the amount of not to exceed \$30,000,000. Proceeds of the 2026 School Building and Site Bonds (General Obligation – Unlimited Tax) (the “Bonds”) in the principal amount of \$30,000,000** will be used for school building and site purposes. The Bonds were authorized by the Board of Education of the School District by resolutions adopted on December 15, 2025 and expected to be adopted on April __, 2026 (together, the “Resolutions”). The Bonds will pledge the full faith and credit of the School District for payment of the principal and interest thereon and will be payable from ad valorem taxes, which may be levied on all taxable property in the School District without limitation as to rate or amount.

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

Principal of and interest on the Bonds will be paid by the corporate trust office of Argent Institutional Trust Company, Grand Rapids, Michigan (the “Paying Agent”). So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to such Bondholder. Disbursement of such payments to DTC’s Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC’s Direct Participants and Indirect Participants, as more fully described herein. Interest will be payable semiannually on May 1 and November 1, commencing November 1, 2026 to the Bondholders of record as of the applicable record dates as stated in the Bonds.

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

(Base CUSIP\$: _____)

<u>Maturity**</u>	<u>Amount**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP\$</u>	<u>Maturity**</u>	<u>Amount**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP\$</u>
2028	\$ 230,000				2038	\$1,705,000			
2029	250,000				2039	1,785,000			
2030	1,100,000				2040	1,870,000			
2031	1,165,000				2041	1,960,000			
2032	1,235,000				2042	2,055,000			
2033	1,315,000				2043	2,155,000			
2034	1,400,000				2044	2,255,000			
2035	1,515,000				2045	2,365,000			
2036	1,550,000				2046	2,465,000			
2037	1,625,000								

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

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

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

STIFEL

Huntington Capital Markets

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

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

* As of date of delivery.

** Preliminary, subject to change.

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This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. As of this date, this Preliminary Official Statement has been deemed “final” by the School District for purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain information permitted by SEC Rule 15c2-12(b)(1).

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

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

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

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

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OFFICIAL STATEMENT
relating to

\$30,000,000¹

WHITEHALL DISTRICT SCHOOLS
COUNTY OF MUSKEGON, STATE OF MICHIGAN
2026 SCHOOL BUILDING AND SITE BONDS
(GENERAL OBLIGATION – UNLIMITED TAX)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices, is to furnish information in connection with the issuance and sale by Whitehall District Schools, County of Muskegon, State of Michigan (the "School District") of its 2026 School Building and Site Bonds (General Obligation - Unlimited Tax) (the "Bonds") in the principal amount of \$30,000,000¹.

PURPOSE AND SECURITY

On November 4, 2025, the qualified electors of the School District approved a proposal authorizing the issuance of bonds in an aggregate amount of not to exceed \$30,000,000. Proceeds of the Bonds in the principal amount of \$30,000,000¹, are being issued for the purpose of erecting, remodeling, equipping and re-equipping, furnishing and refurbishing school buildings, additions to school buildings, and facilities, including safety and security improvements and secure entrances; preparing, developing, improving and equipping structures and sites; purchasing school buses; and acquiring, installing, and equipping and re-equipping school buildings for instructional technology (the "Project"); and paying the costs of issuing the Bonds.

The Bonds, as authorized for issuance by the resolutions of the Board of Education of the School District adopted on December 15, 2025 and expected to be adopted on April __, 2026 (together, the "Resolutions"), are a full faith and credit unlimited tax general obligation of the School District. The principal of and interest on the Bonds are payable from the proceeds of ad valorem taxes levied on all taxable property in the School District which may be levied without limitation as to rate or amount.

POTENTIAL FOR BOND INSURANCE

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

¹ Preliminary, subject to change.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES

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

USES

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

THE BONDS

Description and Form of the Bonds

The Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated as of, and bear interest from, the date of issuance. Interest on the Bonds shall be payable semiannually each May 1 and November 1 to maturity or early redemption, commencing November 1, 2026. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months, and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the cover of this Official Statement.

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

Book-Entry-Only System

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates

the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

Payments of principal and interest and redemption amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed

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

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

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

Transfer Outside Book-Entry-Only System

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

Optional Redemption¹

The Bonds or portions of the Bonds in multiples of \$5,000 maturing on or after May 1, 2037¹, are subject to redemption at the option of the School District in such order as the School District may determine and by lot within any maturity, on any date occurring on or after May 1, 2036¹, at par plus accrued interest to the date fixed for redemption.

Notice of Redemption and Manner of Selection

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

If less than all of the Bonds of any maturity shall be called for redemption prior to maturity, unless otherwise provided, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the

¹ Preliminary, subject to change.

Paying Agent, in the principal amounts designated by the School District. Any Bonds selected for redemption will cease to bear interest on the date fixed for redemption, whether presented for redemption, provided funds are on hand with the Paying Agent to redeem said Bonds. Upon presentation and surrender of such Bonds at the corporate trust office of the Paying Agent, such Bonds shall be paid and redeemed.

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

TAX PROCEDURES

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

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

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

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

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

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

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

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

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

SOURCES OF SCHOOL OPERATING REVENUE

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

The State school aid package passed by the Legislature as part of the school finance reform legislation instituted a per pupil foundation allowance beginning in fiscal year 1994/95. With the passage of Public Act 48 of 2021, the Legislature eliminated the foundation allowance range in 2021/22 that had been in place since the passage of the school finance reform legislation in 1994. In Public Act 15 of 2025 ("PA 15"), the Legislature established a 2025/26 target foundation allowance of \$10,050 per pupil. In the future, the foundation allowance may be adjusted annually by an index based upon the change in revenues to the State school aid fund and change in the total number of pupils statewide. The foundation allowance is funded by locally raised property taxes plus State school aid. The revenues for the State's contribution to the foundation allowance are derived from a mix of taxing sources, including, but not limited to, a statewide property tax of 6 mills on all taxable property¹, a State sales and use tax, a real estate transfer tax and a cigarette tax.

Generally, school districts are required to levy a local property tax of not more than 18 mills or the number of mills levied in 1993 for school operating purposes, whichever is less, on non-homestead properties² in order for the school district to receive its per pupil foundation allowance. An intermediate school district may seek voter approval for up to three enhancement mills for distribution to local constituent school districts on a per pupil basis. Proceeds of the enhancement mills are not counted toward the foundation allowance. The Muskegon Area Intermediate School District levies a 0.9656 mill regional enhancement millage which is distributed to all qualified schools within its boundaries, including the School District, on a per pupil basis. The School District anticipates receiving approximately \$262 per pupil from that millage in 2025/26. Furthermore, school districts whose per pupil foundation allowance in 2025/26 calculates to an amount in excess of \$10,050 are authorized to levy additional millage to obtain the foundation allowance, first by

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

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

levying such amount of the 18 mills against homestead property¹ as is necessary to hold themselves harmless and, if the 18 mills is insufficient, to then levy such additional mills against all property uniformly as is necessary to obtain the foundation allowance. The School District's 2025/26 per pupil foundation allowance does not exceed \$10,050, and the School District does not levy such additional millage.

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

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

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

Pursuant to PA 15, the School District may be eligible to receive various categorical grants for specific purposes, such as special education, "at-risk" students, meal programs, early education, career and technical education programs, and other instructional and non-instructional programs. The annual amendments to the State School Aid Act determine the type and amount of those categorical funds. For further information regarding the School District's receipt of categorical funds for the 2024/25 fiscal year, see the School District's audited financial statements in APPENDIX C.

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

MICHIGAN PROPERTY TAX REFORM

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

The bill package, together with the original 2012 legislation, created two new exemptions from the personal property tax. Under the "small taxpayer exemption," the commercial and industrial personal property of each owner with a combined true cash value in a local tax collecting unit of less than \$80,000 became exempt from ad valorem taxes in that collecting unit beginning in 2014, with such threshold being increased by the legislature to a combined true cash value in a local tax collecting unit of less than \$180,000 beginning in 2023. For businesses that do not qualify for the "small taxpayer exemption," all "eligible manufacturing personal property" (personal property used more than 50% of the time in industrial processing or direct integrated support) purchased and placed into service before 2006 or during or after 2013 became exempt beginning in 2016. Taxation on "eligible manufacturing personal property" placed into service after 2006 but before 2013 will be phased-out over time; with the exemption taking effect after the property has been in service for the immediately preceding 10 years. The legislation extends certain personal property tax exemptions and tax abatements for technology parks, industrial facilities and enterprise zones that were to expire after 2012, until the voter approved personal property tax exemptions take effect.

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

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

LITIGATION

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

TAX MATTERS

State

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

Federal

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

There are additional federal tax consequences relative to the Bonds and the interest thereon. The following is a general description of some of these consequences but is not intended to be complete or exhaustive and investors should consult with their tax advisors with respect to these matters. Prospective purchasers of the Bonds should be aware that (i) interest on the Bonds is included in the effectively connected earnings and profits of certain foreign corporations for purposes of calculating the branch profits tax imposed by Section 884 of the Code, (ii) interest on the Bonds may be subject to a tax on excess net passive income of certain S Corporations imposed by Section 1375 of the Code, (iii) interest on the Bonds is included in the calculation of modified adjusted gross income for purposes of determining the taxability of social security or railroad retirement benefits, (iv) the receipt of interest on the Bonds by life insurance companies may affect

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

the federal tax liability of such companies, (v) in the case of property and casualty insurance companies, the amount of certain loss deductions otherwise allowed is reduced by a specific percentage of, among other things, interest on the Bonds, (vi) holders of the Bonds may not deduct interest on indebtedness incurred or continued to purchase or carry the Bonds, and (vii) commercial banks, thrift institutions and other financial institutions may not deduct their costs of carrying certain obligations such as the Bonds.

Original Issue Premium¹

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

Original Issue Discount¹

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

Future Developments

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

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

¹ Preliminary, subject to change.

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

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

APPROVAL OF LEGAL PROCEEDINGS

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

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

APPROVAL BY MICHIGAN DEPARTMENT OF TREASURY

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

RATING

S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLC ("S&P") will assign, as of the date of delivery of the Bonds, its municipal bond rating of "A+" to the Bonds.

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

UNDERWRITING

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

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

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

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

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

MUNICIPAL ADVISOR'S OBLIGATION

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

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

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

CONTINUING DISCLOSURE

Prior to delivery of the Bonds, the School District will execute a Continuing Disclosure Agreement (the "Agreement") for the benefit of the holders of the Bonds and the Beneficial Owners (as hereinafter defined under this caption only) to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. "Beneficial Owner" means, under this caption only, any person, which has the power, directly or indirectly,

to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or any other intermediaries). The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Agreement, are set forth in "APPENDIX E: Form of Continuing Disclosure Agreement." Additionally, the School District shall provide certain annual financial information and operating data generally consistent with the information contained within the tables under the headings "ENROLLMENT - Historical Enrollment," "STATE AID PAYMENTS," "PROPERTY VALUATIONS - History of Valuations (table only)", "MAJOR TAXPAYERS," "SCHOOL DISTRICT TAX RATES - (Per \$1,000 of Valuation)," "TAX LEVIES AND COLLECTIONS," "RETIREMENT PLAN - Contribution to MPSERS," "LABOR RELATIONS," "DEBT STATEMENT - DIRECT DEBT," in APPENDIX A, and the General Fund Budget Summary in APPENDIX B.

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

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

OTHER MATTERS

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

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

WHITEHALL DISTRICT SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN

By: _____
Its: Superintendent of Schools

APPENDIX A¹

WHITEHALL DISTRICT SCHOOLS

GENERAL FINANCIAL, ECONOMIC AND SCHOOL INFORMATION

LOCATION AND AREA

Whitehall District Schools (the “School District”) occupies an area of 62.8 square miles and is located in the central western portion of Michigan’s lower peninsula, along the eastern shore of Lake Michigan.

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

- 14 miles north of Muskegon
- 54 miles northwest of Grand Rapids
- 104 miles west of Lansing

POPULATION

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

	<u>School District</u>	<u>City of Whitehall</u>	<u>County of Muskegon</u>
2024 Estimate	13,117	3,024	175,961
2020 U.S. Census	12,381	2,909	175,824
2010 U.S. Census	11,811	2,706	172,188

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

BOARD OF EDUCATION

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

ENROLLMENT

Historical Enrollment

Historical fall enrollment for the School District is as follows:

<u>School Year End 30-Jun</u>	<u>Full-time Equivalent</u>	<u>Change</u>	<u>School Year End 30-Jun</u>	<u>Full-time Equivalent</u>	<u>Change</u>
2026	1,949	-0.86%	2021	2,056	-2.00%
2025	1,966	0.92	2020	2,098	-1.13
2024	1,948	-1.77	2019	2,122	0.57
2023	1,983	-1.98	2018	2,110	-1.45
2022	2,023	-1.61	2017	2,141	--

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

2025/2026 Fall Count

Kindergarten	158	7 th	142
1 st	129	8 th	140
2 nd	140	9 th	143
3 rd	161	10 th	138
4 th	147	11 th	164
5 th	163	12 th	173
6 th	151	Total	<u>1,949</u>

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

SCHOOL DISTRICT FACILITIES

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

Facility	Grades Served	Year Built	Last Remodel/Addition	Type of Construction
<i>Elementary Schools:</i>				
Shoreline	K-2	1994	2010	Brick
Ealy	3-5	1950	2018	Brick
<i>Middle School:</i>				
Whitehall	6-8	1954	2019	Brick
<i>High School:</i>				
Whitehall	9-12	2003	2010	Brick
<i>Additional Facilities:</i>				
White Lake Community Center	PK-12	1959	2020	Brick
Bus Maintenance Facility	N/A	1925	2001	Brick
Hilt's Landing*	--	2014	--	Brick

*Leased Property.

OTHER SCHOOLS

There are no private, charter or parochial schools located within the School District's boundaries.

STATE AID PAYMENTS

The School District's primary source of funding for operating costs is the State School Aid per pupil foundation allowance. Public Act 15 of 2025 set the target foundation allowance at \$10,050 for fiscal year 2025/2026.

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

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

Fiscal Year End 30-Jun	Foundation Allowance per Pupil	Total State Aid Payments ¹	Blended Pupil Count	Amount Received per Pupil ²
2026	\$10,050	\$22,412,693 ³	1,935.74 ³	\$11,578 ³
2025	9,608	22,604,271	1,963.09	11,515
2024	9,608	23,071,549	1,949.17	11,837
2023	9,150	22,339,970	1,985.24	11,253
2022	8,700	19,013,781	2,024.05	9,394
2021	8,111	17,713,860 ⁴	2,087.94	8,484 ⁴

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

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

³Preliminary estimate, subject to change.

⁴Public Act 165 of 2020 restored the State school aid reductions contained in Public Act 146 of 2020 for the 2020/21 fiscal year, added a onetime \$65 per pupil payment and added other appropriations for qualifying school districts.

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

PROPERTY VALUATIONS

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

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

History of Valuations

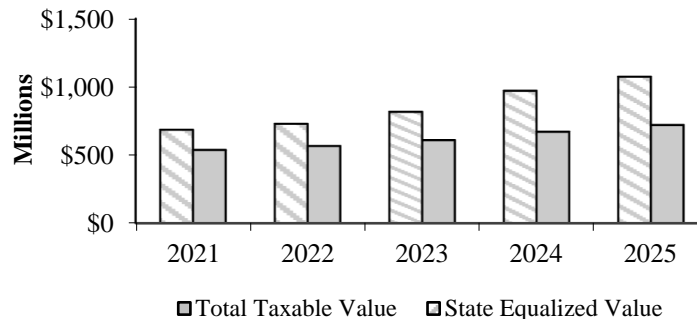
A history of the property valuations in the School District is shown below:

Year	Principal Residence ¹	Non- Principal Residence ¹	Total Taxable Value	Percent Change	State Equalized Value	Percent Change
2025	\$477,421,865	\$243,205,733	\$720,627,598	7.42%	\$1,074,476,400	10.65%
2024	442,275,369	228,575,926	670,851,295	10.12	971,074,100	18.90
2023	397,159,873	212,057,647	609,217,520	7.55	816,690,000	12.04
2022	368,292,449	198,166,424	566,458,873	5.48	728,923,800	6.36
2021	349,370,613	187,651,514	537,022,127	----	685,319,600	----

¹All industrial personal property is included in the principal residence tax base. While commercial personal property continues to be included in the non-principal residence tax base, it is exempt from 12 of the 18 operating mills levied on non-principal residence property only. In 2025, industrial personal property had a taxable value of \$282,300 and commercial personal property had a taxable value of \$9,252,300 in the School District.

Source: Muskegon County Equalization Department

History of Valuations



Annual Equivalent Valuation

A summary of the 2025 valuation is as follows:

2025 Taxable Value	\$720,627,598
Plus: 2025 Equivalent IFT Taxable Value ¹	5,633,358
Total 2025 Equivalent Taxable Value	<u>\$726,260,956</u>
Less: 2025 Disabled Veterans Exemption Taxable Value ²	(6,021,712)
Net 2025 Annual Equivalent Valuation	<u><u>\$720,239,244</u></u>

¹See “INDUSTRIAL FACILITY TAX ABATEMENTS” herein.

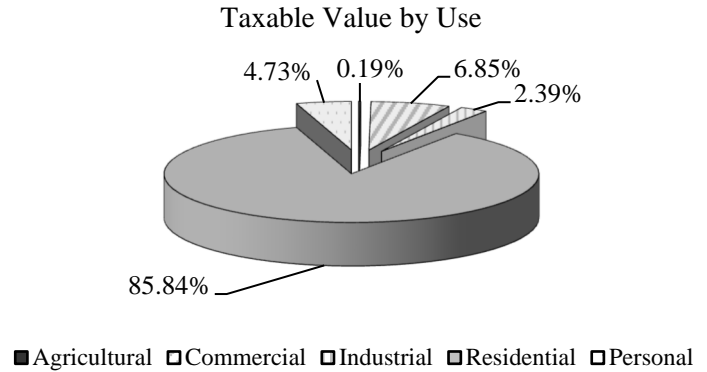
²Represents value which is exempt from taxes pursuant to Michigan’s General Property Tax Act Section 7b, MCL 211.7b, which states real property used and owned as a homestead by either (1) a disabled veteran who was discharged from the United States armed forces under honorable conditions or (2) the disabled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

Source: Muskegon County Equalization Department

Tax Base Composition

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

	2025	Percent
By Class:	Taxable Value	of Total
Real Property	\$686,507,098	95.27%
Personal Property	34,120,500	4.73
TOTAL	\$720,627,598	100.00%
By Use:		
Agricultural	\$1,305,928	0.19%
Commercial	49,363,754	6.85
Industrial	17,214,983	2.39
Residential	618,622,433	85.84
Personal	34,120,500	4.73
TOTAL	\$720,627,598	100.00%



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

Municipality	2025	Percent
	Taxable Value	of Total
<i>County of Muskegon</i>		
City of Whitehall	\$161,486,050	22.41%
Township of Blue Lake	67,753,239	9.40
Township of Dalton	65,073,226	9.03
Township of Fruitland	335,757,880	46.59
Township of Whitehall	90,557,203	12.57
TOTAL	\$720,627,598	100.00%

Source: Muskegon County Equalization Department

INDUSTRIAL FACILITY TAX ABATEMENTS

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

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

The 2025 Taxable Value for the properties which have been granted IFT abatements within the School District's boundaries is \$11,266,716, all of which is taxed at ½ rate. For purposes of computing "Equivalent" Taxable Value, it has been shown in the "History of Valuations" section as 50% of the Taxable Value.

Source: Muskegon County Equalization Department

TAX INCREMENT AUTHORITIES

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

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

The City of Whitehall has one TIFA, one LDFA and two BRDA’s. The 2024 captured valuation within the City of Whitehall is \$31,835,949. These tax increment financing authorities only capture a portion of the School District’s operating millage.

Source: Muskegon County Equalization Department

MAJOR TAXPAYERS

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

Taxpayer	Product/Service	2025 Taxable Value	"Equivalent" IFT Value ¹	2025 Total Valuation
Howmet Aerospace Inc.	Aerospace	\$10,809,916	\$4,450,879	\$15,260,795
Consumers Energy	Utility	14,659,015	0	14,659,015
Detroit Edison	Utility	9,259,107	0	9,259,107
Walmart	Retail & Grocery	4,043,400	0	4,043,400
Acutex (d.b.a Hilite Industries)	Auto Computer Chips	2,615,415	409,700	3,025,115
Spectrum Mid-America LLC	Cable/Communications	1,940,300	0	1,940,300
Bolema Lumber/RE/Construction	Construction	1,937,336	0	1,937,336
Michillinda Beach Assoc.	Lodge	1,923,051	0	1,923,051
WELL 1031 Holdco 1 LLC	Real Estate	1,585,900	0	1,585,900
A&R Lake LLC	Lake Resort	1,367,170	0	1,367,170
TOTALS		<u>\$50,140,610</u>	<u>\$4,860,579</u>	<u>\$55,001,189</u>
Total 2025 Values		\$720,627,598		\$726,260,956
Top 10 Taxpayers as a % of 2025 Total Values		6.96%		7.57%

¹Represents 50% of the actual Taxable Value.

Source: Muskegon County Equalization Department

CONSTITUTIONAL MILLAGE ROLLBACK

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

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

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

	2025	2024	2023	2022	2021
Operating – Voted	17.4975	17.9832	18.0000	18.0000	18.0000
Debt	3.2000	5.0000	7.0000	7.0000	7.0000
Total Non-Principal Residence	<u>20.6975</u>	<u>22.9832</u>	<u>25.0000</u>	<u>25.0000</u>	<u>25.0000</u>
Total Principal Residence	<u>3.2000</u>	<u>5.0000</u>	<u>7.0000</u>	<u>7.0000</u>	<u>7.0000</u>

The School District levies voted operating millage on non-principal residence property and authorized debt millage on all taxable property within the School District. The voted operating millage expires with the 2035 levy.

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

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

	2025	2024
State Education Tax	6.0000	6.0000
Muskegon County	6.6630	6.7319
City of Whitehall	15.7700	15.7700
Township of Blue Lake	4.2919	4.3694
Township of Dalton	3.6430	3.6808
Township of Fruitland	0.8562	0.8655
Township of Whitehall	1.1022	1.1022
Village of Lakewood Club	7.0662	7.1760
White Lake Library	0.8993	0.9100
Muskegon Area ISD ¹	4.5939	4.6382
Muskegon Community College	2.3295	2.3765

¹Includes a voter approved enhancement millage of 0.9656 mill. The School District expects to receive approximately \$510,000 in fiscal year 2025/26 from the regional enhancement millage based on its pupil membership count.

Source: Muskegon County Equalization Department and School District

TAX LEVIES AND COLLECTIONS

The School District's fiscal year begins July 1 and ends June 30. School District property taxes are due December 1 of each fiscal year and are payable without interest or penalty on or before the following February 14. All real property taxes remaining unpaid on March 1st of the year following the levy are turned over to the County Treasurer for collection. Muskegon County (the "County") annually pays from its Delinquent Tax Revolving Fund delinquent taxes on real property to all taxing units in the County, including the School District, shortly after the date delinquent taxes are returned to the County Treasurer for collection.

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

Levy Year	Operating Tax Levy	Collections to March 1, Each Year		Collections Plus Funding to June 30, Each Year	
2025	\$4,059,799*	\$2,572,083	63.35%	N/A	
2024	3,910,992	3,639,131	93.05	\$3,908,116	99.93%
2023	3,703,958	3,527,818	95.24	3,698,531	99.85
2022	3,470,683	3,276,100	94.39	3,433,474	98.93
2021	3,338,287	3,222,358	96.53	3,335,891	99.93
2020	3,266,869	3,114,095	95.32	3,265,974	99.97

*Estimated.

RETIREMENT PLAN

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

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

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

Contribution to MPSERS

The School District’s estimated annual contribution to MPSERS for the 2025-26 fiscal year and the previous four fiscal years are shown below:

Fiscal Year Ended 30-Jun	Pension Amount	Health Care Amount	Total Amount	State Aid MPSERS Direct Offset Payments ²
2026 ¹	--	--	\$4,776,957	\$2,490,494
2025	\$5,143,167	\$56,948	5,200,115	2,063,425
2024	4,152,929	427,397	4,580,326	3,115,481
2023	3,242,062	1,381,175	4,623,237	4,206,952
2022	2,990,259	1,274,311	4,264,570	2,352,415

¹Estimated. Breakdown currently unavailable for this year

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

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The School District implemented GASB 68 in its year ended June 30, 2015 financial statements. In its June 30, 2025 financial statements, the School District reported a proportionate share of the net pension liability of \$37,633,886 as of September 30, 2024.

Effective for fiscal years beginning after June 15, 2017, GASB Statement 75 requires all reporting units in a multi-employer cost sharing OPEB plan to record a balance sheet liability for their proportionate share of the net OPEB liability of the plan. The School District implemented GASB 75 in its year ended June 30, 2018 financial statements. In its June 30, 2025 financial statements, the School District reported a proportionate share of the net OPEB asset of \$6,514,191 as of September 30, 2024.

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

Source: Audited Financial Statements and School District

LABOR RELATIONS

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

Employee Group	No. of Employees	Affiliation	Exp. Date of Contract
Administrators	14	Non-Affiliated	N/A
Teachers	132	MEA/NEA	08/31/27
Secretaries	21	Non-Affiliated	N/A
Aides & Monitors	49	Non-Affiliated	N/A
Maintenance	4	Non-Affiliated	N/A
Transportation	18	MEA/NEA	06/30/26*
Food Service	24	Non-Affiliated	N/A
TOTAL	<u>262</u>		

*In negotiations

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

DEBT STATEMENT* - (As of 04/06/26 – including the Bonds described herein)

DIRECT DEBT:

<u>Dated Date</u>	<u>Purpose</u>	<u>Bond Type</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
04/19/17	Building & Site	UTNQ	05/01/35	\$11,075,000
03/25/21	Refunding	UTQ	05/01/29	6,640,000
___/___/26	Building & Site	UTNQ	05/01/46	30,000,000*
NET DIRECT DEBT				<u>\$47,715,000*</u>

OVERLAPPING DEBT:

<u>Percent Share</u>	<u>Municipality</u>	<u>Net Debt</u>	<u>District's Share</u>
100.00%	City of Whitehall	\$8,713,000	\$8,713,000
59.77	Township of Blue Lake	0	0
17.99	Township of Dalton	2,262,503	407,024
80.53	Township of Fruitland	421,250	339,233
98.36	Township of Whitehall	0	0
100.00	Village of Lakewood Club	0	0
10.62	Muskegon County	127,937,236	13,586,934
10.54	Muskegon Area ISD	0	0
10.62	Muskegon Comm. College	21,160,000	2,247,192
100.00	White Lake Library	0	0
TOTAL OVERLAPPING DEBT			<u>25,293,383</u>
NET DIRECT AND OVERLAPPING DEBT			<u><u>\$73,008,383*</u></u>

*Preliminary, subject to change.

Source: Municipal Advisory Council of Michigan

SCHOOL LOAN REVOLVING FUND (SLRF) PROGRAM

The School District did not have a SLRF balance as of April 6, 2026.

OTHER DEBT

The School District has no short-term borrowing outstanding.

DEBT HISTORY

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

FUTURE FINANCING

The School District does not have plans for any additional capital financings in the next 12 months.

DEBT RATIOS*

Estimated School District Population	13,117
2025 Taxable Value	\$720,627,598
2025 State Equalized Value (SEV)	\$1,074,476,400
2025 True Cash Value (TCV)	\$2,148,952,800
Per Capita 2025 Taxable Value	\$54,938.45
Per Capita 2025 State Equalized Value	\$81,914.80
Per Capita 2025 True Cash Value	\$163,829.60
Per Capita Net Direct Debt	\$3,637.65
Per Capita Net Direct and Overlapping Debt	\$5,565.94
Percent of Net Direct Debt of 2025 Taxable Value	6.62%
Percent of Net Direct and Overlapping Debt of 2025 Taxable Value	10.13%
Percent of Net Direct Debt of 2025 SEV	4.44%
Percent of Net Direct and Overlapping Debt of 2025 SEV	6.79%
Percent of Net Direct Debt of 2025 TCV	2.22%
Percent of Net Direct and Overlapping Debt of 2025 TCV	3.40%

*Preliminary, subject to change.

LEGAL DEBT MARGIN* - (As of 04/06/26 – including the Bonds described herein)

2025 State Equalized Value		\$1,074,476,400
Legal Debt Limit - 15% of SEV		\$161,171,460
Total Bonded Debt Outstanding	\$47,715,000	
Less: SLRF Qualified Bonds ¹	<u>(6,640,000)</u>	
Net Amount Subject to Legal Debt Limit		<u>41,075,000</u>
LEGAL DEBT MARGIN AVAILABLE		<u><u>\$120,096,460</u></u>

*Preliminary, subject to change.

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

EMPLOYMENT CHARACTERISTICS

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

Employer	Product or Service	Approx. No. of Employees
<i>Within the School District</i>		
Howmet Aerospace Inc.	Aerospace	3,775
Whitehall District Schools	Education	262
Acutex (d.b.a Hilite Industries)	Auto Computer Chips	250
Walmart	Retail & Grocery	210
Whitehall Products LLC	Aluminum Castings	100
Culver's	Restaurant	65
CatchMark Technologies	Computer Support	59
McDonald's	Restaurant	51
Erdman Machine	Machine Shop	50
<i>Within the County of Muskegon</i>		
Trinity Health - Muskegon Hospital	Healthcare & Hospital	4,100
Howmet Aerospace Inc.*	Aerospace	3,775
Wesco, Inc. (multiple locations)	Gas Stations & Convenience Stores	1,050
Meijer, Inc. (3 locations)	Retail & Grocery	894
Walmart (3 locations)*	Retail & Grocery	890
County of Muskegon	Government	833
Johnson Technology, Inc.	Aircraft Engine Parts	805
G.E. Aerospace/Aviation (3 locations)	Aerospace	800
ADAC Automotive	Automotive Plastics	750
Health West	Behavioral Health & Crisis Residential Center	715
Aludyne, Inc.	Automotive Parts	700
Earnest C. Brooks Correctional Facility	Corrections	536
Structural Concepts Corp.	Display Cases	500
Mona Shores Public Schools	Education	462
Knoll, Inc	Office Furniture	450
Reeths-Puffer Schools	Education	360
Muskegon Public Schools	Education	358
Textron, Inc.	Automotive Camshafts	325
Renk America, LLC (HQ) (formerly L3Harris Tech)	Military Equipment	320
Michigan's Adventure	Water & Amusement Park	307

*Includes the employer within the School District

Source: 2025 Michigan Manufacturers Directory, MEDC website via www.michiganbusiness.org, and individual employers.

EMPLOYMENT BREAKDOWN

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

PERSONS BY OCCUPATION	City of Whitehall		County of Muskegon	
	Number	Percent	Number	Percent
	1,307	100.00%	80,413	100.00%
Management, Business, Science & Arts	433	33.13	27,631	34.36
Service	346	26.47	15,005	18.66
Sales & Office	209	15.99	14,348	17.84
Natural Resources, Construction & Maintenance	38	2.91	7,181	8.93
Production, Transportation & Material Moving	281	21.50	16,248	20.21

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

PERSONS BY INDUSTRY	City of Whitehall		County of Muskegon	
	Number	Percent	Number	Percent
	1,307	100.00%	80,413	100.00%
Agriculture, Forestry, Fishing, Hunting & Mining	9	0.69	411	0.51
Construction	94	7.19	4,893	6.08
Manufacturing	433	33.13	18,542	23.06
Wholesale Trade	0	0.00	1,014	1.26
Retail Trade	79	6.04	8,767	10.90
Transportation, Warehousing & Utilities	9	0.69	4,349	5.41
Information	0	0.00	595	0.75
Finance, Insurance & Real Estate	52	3.98	2,576	3.20
Professional, Scientific & Management Services	115	8.80	5,743	7.14
Educational, Health & Social Services	204	15.61	19,589	24.36
Arts, Entertainment, Recreation & Food Services	168	12.85	7,798	9.70
Other Services except Public Administration	54	4.13	3,983	4.95
Public Administration	90	6.89	2,153	2.68

UNEMPLOYMENT

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

Annual Average	County of Muskegon	State of Michigan
December, 2025	5.1%	4.8%
2024	5.1	4.7
2023	4.3	3.9
2022	4.7	4.2
2021	6.7	5.7

POPULATION BY AGE

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

	City of Whitehall		County of Muskegon	
	Number	Percent	Number	Percent
Total Population	3,024	100.00%	175,961	100.00%
0 through 19 years	798	26.39	43,360	24.64
20 through 64 years	1,523	50.36	100,113	56.89
65 years and over	703	23.25	32,488	18.47
Median Age	39.4 years		40.0 years	

INCOME

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

HOUSEHOLDS BY INCOME	City of Whitehall		County of Muskegon	
	Number	Percent	Number	Percent
	1,175	100.00%	70,148	100.00%
Less than \$ 10,000	108	9.19	4,684	6.68
\$ 10,000 to \$ 14,999	39	3.32	3,197	4.56
\$ 15,000 to \$ 24,999	43	3.66	5,451	7.77
\$ 25,000 to \$ 34,999	109	9.28	6,277	8.95
\$ 35,000 to \$ 49,999	121	10.30	8,344	11.89
\$ 50,000 to \$ 74,999	271	23.06	12,648	18.03
\$ 75,000 to \$ 99,999	187	15.91	10,489	14.95
\$100,000 to \$149,999	109	9.28	11,416	16.27
\$150,000 to \$199,999	129	10.98	4,982	7.10
\$200,000 or MORE	59	5.02	2,660	3.80
Median Income	\$61,169		\$60,829	

APPENDIX B
GENERAL FUND BUDGET SUMMARY AND
COMPARATIVE FINANCIAL STATEMENTS

Whitehall District Schools
General Fund Budget Summary

	As Amended 2025/26
Revenue	
Local Revenue	\$4,677,799
State Sources	23,820,209
Federal Sources	927,546
Intermediate Sources	827,500
Incoming Transfers & Other	70,000
Total Revenue	\$30,323,054
Expenditures	
Instructional Services	
Basic Program	\$13,618,589
Added Needs	4,235,521
Adult Education	220,719
Support	
Pupil	2,620,508
Instructional Support	1,181,567
General Administration	747,702
School Administration	1,598,693
Business Services	346,987
Operations & Maintenance	2,677,146
Pupil Transportation	1,319,834
Central Support	554,441
Athletics	916,149
Community Services	
Direction & Recreation	226,899
Outgoing Transfers, Capital, & Other	255,422
Total Expenditures	\$30,520,177
Excess of Expenditures (over) under Revenues	(\$197,123)
Beginning Fund Balance - July 1	\$6,919,601
Projected Fund Balance - June 30	\$6,722,478

Source: School District

**Whitehall District Schools
General Fund
Comparative Balance Sheet**

	For Fiscal Years Ended June 30th		
	2023	2024	2025
Assets			
Cash and Cash Equivalents	\$4,961,973	\$6,577,342	\$6,415,395
Receivables	16,902	24,141	3,261
Due from Other Governmental Units	4,628,824	5,076,324	4,585,301
Due from Other Funds	131,355	124,524	557,555
Inventories	25,988	24,270	27,832
Prepaid Items	75,088	82,007	108,495
Total Assets	<u>\$9,840,130</u>	<u>\$11,908,608</u>	<u>\$11,697,839</u>
Liabilities			
Accounts Payable	\$486,812	\$227,415	\$413,245
Accrued Liabilities	2,616,638	2,608,294	2,756,090
Due to Other Governmental Units	831,973	616,689	437,813
Due to Other Funds	--	95,181	535
Unearned Revenue	973,814	1,996,368	1,170,555
Total Liabilities	<u>\$4,909,237</u>	<u>\$5,543,947</u>	<u>\$4,778,238</u>
Fund Balance			
Prepaid Items	\$75,088	\$82,007	\$108,495
Inventories	25,988	24,270	27,832
Assigned to Subsequent Year's Budget Appropriations	--	--	335,710
Assigned to White Lake Area Community Education	30,957	30,958	30,958
Unassigned	4,798,860	6,227,426	6,416,606
Total Fund Balance	<u>\$4,930,893</u>	<u>\$6,364,661</u>	<u>\$6,919,601</u>
Total Liabilities and Fund Balance	<u>\$9,840,130</u>	<u>\$11,908,608</u>	<u>\$11,697,839</u>

Source: Audited Financial Statements

**Whitehall District Schools
General Fund**

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

	For Fiscal Years Ended June 30th		
	2023	2024	2025
Revenue			
Local Sources	\$4,675,855	\$5,164,865	\$5,301,841
State Sources	22,539,234	22,717,366	24,346,543
Federal Sources	1,762,302	2,413,156	1,683,043
Total Revenue	<u>\$28,977,391</u>	<u>\$30,295,387</u>	<u>\$31,331,427</u>
Expenditures			
Current			
Instruction	\$17,753,868	\$17,064,894	\$17,364,965
Support Services	11,080,803	11,480,843	12,893,928
Community Services	205,550	258,104	219,717
Capital Projects	429,914	227,740	303,541
Debt Service			
Principal	16,192	23,957	29,849
Interest and Other Expenditures	--	1,222	1,142
Total Expenditures	<u>\$29,486,327</u>	<u>\$29,056,760</u>	<u>\$30,813,142</u>
Other Financing Sources (Uses)			
Transfers In	\$190,194	\$192,405	\$61,391
Transfers Out	(9,983)	(23,441)	(42,439)
Proceeds from Subscription-Based IT Arrangements	46,732	26,177	17,703
Total Other Financing Sources (Uses)	<u>\$226,943</u>	<u>\$195,141</u>	<u>\$36,655</u>
Net Change in Fund Balance	(\$281,993)	\$1,433,768	\$554,940
Fund Balance - Beginning	<u>\$5,212,886</u>	<u>\$4,930,893</u>	<u>\$6,364,661</u>
Fund Balance - Ending	<u>\$4,930,893</u>	<u>\$6,364,661</u>	<u>\$6,919,601</u>

Source: Audited Financial Statements

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APPENDIX C
AUDITED FINANCIAL STATEMENTS

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

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Whitehall District Schools
Whitehall, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Whitehall District Schools (the School District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's 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 the School District 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 the School District and to meet our 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 described in Note L to the financial statements, the School District adopted GASB Statement 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 the School District's 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.

Board of Education
Whitehall District Schools
Page 2

Report on the Audit of the Financial Statements—Continued

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 misstatements 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 the School District's 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 the School District's 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.

Report on the Audit of the Financial Statements—Continued

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information 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 the School District's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2025 on our consideration of the School District's 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 the School District's 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 the School District's internal control over financial reporting and compliance.



Muskegon, Michigan
October 15, 2025

This discussion and analysis of Whitehall District Schools' financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this Management Discussion and Analysis is to provide, in simple terms, a look at the District's past performance and current position. Readers should review the financial statements, and notes to the financial statements to enhance their understanding of the District's financial performance.

This information is required by GASB 34 (Governmental Accounting Standards Board's Statement No. 34). GASB 34 requires the presentation of two basic types of financial statements; namely, District-wide Financial Statements and Fund Financial Statements. Certain comparative information between the current year and the prior year is typically presented in the MD&A.

Overview of the Financial Statements

This annual report consists of five parts:

- (1) the independent auditor's report,
- (2) management's discussion and analysis (this section),
- (3) the basic financial statements,
- (4) required supplementary information, and
- (5) combining financial statements.

The financial statements include notes that explain some of the information in the statements by providing detailed data. These statements are followed by a section of required supplementary information that further explains and supports the financial statements, utilizing a comparison to the District's budget for the year. Additionally, the basic financial statements also include two kinds of statements that present different views of the District.

District-Wide Financial Statements

The district-wide financial statements are full accrual basis statements that provide information about the District's overall financial status. They are used to help determine whether or not the District is in a better or worse financial position as a result of the year's activities. The Statement of Net Position reports all of the District's:

- ◆ assets – current, capital and long-term
- ◆ deferred outflows and inflows of resources
- ◆ liabilities – current and long-term

Current assets and liabilities are those that are usable or due within a year. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets, deferred outflows and inflows of resources, and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in net position is an indicator of whether the District's financial position is improving or worsening.

In order to accurately assess the District's overall health, the reader should also consider additional non-financial factors such as changes in the District's property tax base, the quality of the education provided, and the condition of the District's facilities.

In district-wide statements, the District's activities are classified as governmental activities. Governmental activities include most of the District's basic services, such as regular and special education, food service, athletics, transportation, community services, and administration. Property taxes and state aid finance most of these services.

Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal year ended June 30, 2025

District-Wide Financial Statements-Continued

The District-Wide beginning net position was restated for the effects of implementing GASB Statement 101—*Compensated Absences*. The footnotes to the financial statements contain the details. The prior year Statement of Net Position and Statement of Activities were not restated for the effect of GASB Statement 101 as the data is not available.

Fund Financial Statements

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

Fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's Accounting Manual. In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds including: Community Education, Food Service, Technology, and Activity accounts. Other funds include a common Debt Service Fund and a Capital Projects Fund.

In fund financial statements, capital asset purchases are reported as expenditures in the year of acquisition. No asset is 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. Future year's debt obligations are not recorded.

In addition to the General Fund, which is required to be reported individually as a major fund, the District reports the Community Education Fund and Debt Service Fund as major funds. The Community Education Fund represents the operations of White Lake Area Community Education, a five-district consortium for which the District serves as the fiscal agent. The Debt Service Fund is operating as a common debt fund since 2013-14 as allowed by Michigan law.

Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal year ended June 30, 2025

Financial Analysis of the District as a Whole

The net position of the District at June 30, 2025 is approximately \$(16) million, an increase from the previous year, as shown below in a condensed comparative statement of net position.

Statement of Net Position

	For the Year Ended June 30	
	<u>2025</u>	<u>2024</u>
Assets		
Current assets	\$ 15,890,102	\$ 15,846,295
Capital assets (net of depreciation and amortization)	38,286,542	38,610,583
Net other postemployment asset	6,514,189	886,436
Deferred outflows of resources	<u>12,399,065</u>	<u>16,418,548</u>
Total assets and deferred outflows of resources	73,089,898	71,761,862
Liabilities		
Current liabilities	8,507,708	8,468,922
Long-term obligations	21,290,689	20,193,557
Net pension liability	37,633,886	50,301,660
Deferred inflows of resources	<u>21,366,007</u>	<u>15,338,962</u>
Total liabilities and deferred inflows of resources	88,798,290	94,303,101
Net Position		
Net investment in capital assets	19,049,485	16,658,397
Restricted funds	9,249,250	3,263,700
Unrestricted funds	<u>(44,007,127)</u>	<u>(42,463,336)</u>
Net position	<u>\$ (15,708,392)</u>	<u>\$ (22,541,239)</u>

The District uses its capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities. The remaining net position represents resources that are either restricted for debt service, food services, and community services, or are unrestricted as to how they may be used.

Comments on Major Changes to Net Position

- Deferred Outflows of Resources includes an amount related to other post-employment benefits which decreased from \$2,597,499 to \$1,727,473 and pensions which decreased from \$13,636,050 to \$10,551,887.
- Net Pension Liability decreased by \$12,667,774. This amount is related to State of Michigan retirement benefits allocated to District current and prospective retirees. Deferred inflows of resources related to post-employment benefits increased by \$6,027,045.
- GASB 68 significantly affected the net position of the District as the estimated portion of the school employees' retirement costs (pension and health benefits) is being recognized on all public schools' statements. For Whitehall, \$37.6 million is included, a decrease of \$12.7 million. The State has begun to fund this system over 25 years beginning with the 2013-14 fiscal year.

Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal year ended June 30, 2025

The Statement of Activities provides detail on the District's activity. The cost of the District's governmental activities for the year was approximately \$32.9 million. Certain activities and programs were paid through charges for services by the beneficiaries of the programs, or grants restricted to specific uses. The remaining public benefit portion of expenditures was paid for with property taxes, state pupil foundation aid, investment earnings, and other miscellaneous revenues.

Statement of Activities

For the Year Ended June 30
2025 **2024**

District Wide Revenues

Program Revenues		
Charges for services	\$ 1,586,906	\$ 1,559,673
Operating grants	19,015,529	18,532,924
General Revenues		
Property taxes	7,186,375	6,738,335
Unrestricted grants	15,282,335	15,322,512
Other revenues	490,762	328,361
Total revenues	43,561,907	42,481,805

District Wide Expenses

Instruction	16,969,154	20,729,078
Support services	10,209,212	11,377,993
Community services	2,216,207	3,447,449
Food services	1,474,555	1,776,310
Student/School activities	513,947	465,210
Athletics	816,998	916,625
Interest on long-term debt	681,859	698,050
Unallocated depreciation and amortization	4,383	4,383
Total expenses	32,886,315	39,415,098

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Change in net position

10,675,592 3,066,707

Net position at beginning of year

(26,383,984) (25,607,946)

Net position at end of year

\$ (15,708,392) \$ (22,541,239)

Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal year ended June 30, 2025

Capital Assets and Debt Administration

Capital assets, net of depreciation and amortization, decreased in value from July 1, 2024, to June 30, 2025 as the result of less construction activity and continuing depreciation.

Net Capital Asset Values					
	July 1, 2024	Additions	Deductions	Change in Accumulated Depreciation	June 30, 2025
Land	\$ 817,882	\$ -	\$ -	\$ -	\$ 817,882
Buildings & improvements	36,809,501	126,474	-	1,520,263	35,415,712
Furniture & equipment	390,829	984,929	301,021	(207,767)	1,277,504
Buses and vehicles	541,877	344,794	150,987	7,740	727,944
Right to use - subscription-based IT	50,494	37,446	16,037	24,403	47,500
Total	\$ 38,610,583	\$ 1,493,643	\$ 468,045	\$ 1,349,639	\$ 38,286,542

Debt Obligations						
	July 1, 2024	Additions	Reductions	June 30, 2025	Current	
Bonds for capital financing	\$ 21,959,939	\$ -	\$ 2,623,791	\$ 19,336,148	\$ 2,425,000	
Compensated absences	4,050,000	670,000	-	4,720,000	710,000	
Retirement obligations	422,490	15,498	52,282	385,706	22,263	
Right to use - subscription-based IT	32,760	17,703	29,849	20,614	14,516	
Total	\$ 26,465,189	\$ 703,201	\$ 2,705,922	\$ 24,462,468	\$ 3,171,779	

The District restated its Compensated absences balance as of July 1, 2024 as required by GASB 101.

As indicated above, total debt obligations of the District decreased during the year ended June 30, 2025. Principal and interest payments were made according to debt schedules. Currently the District is not borrowing for cash flow purposes.

Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal year ended June 30, 2025

General Fund Budgetary Highlights

The State of Michigan's Uniform Budget Act requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. When the budget is prepared each year, several unknown factors exist. Estimates are used for such major items as student count, employee contracts, state aid, staffing, and tax appeals. When compared in total, the variances between the initial budget, final budget and actual results are minimal considering all of the unknowns that exist during initial budgeting. As a matter of practice the District amends its budget periodically during the fiscal year. These revisions are made in order to deal with changes in revenues and expenditures that become known during the year.

The district was required to have a budget in place by July 1, 2024 but the State of Michigan had not finalized a budget for its fiscal year beginning October 1, 2024. Whitehall District Schools prepared a budget based on available projections at the time. The initial budget for 2024-25 assumed a \$241 increase in the foundation grant from \$9,608 to \$9,849, which increased revenue by \$459 thousand. Enrollment was projected as normal with a calculation which reduced the FTE (full-time equivalent) by 40 and the revenue by \$355 thousand. Expenses increased \$822 thousand for wages and benefits. The resulting budget planned for a surplus of \$4 thousand to be added to fund balance leaving an ending fund balance of \$4.9 million or 16.8% of expenditures.

In December, the District amended its budget for the first time to reflect the new state budget and educational program in place. Staffing changes were adjusted resulting in an expenditure increase of \$368 thousand. State Aid revenues were updated resulting in a decrease of \$238 thousand. This included the impact of no increase to the Foundation Grant from FY23-24 to FY24-25. The fall count enrollment was updated, increasing revenue \$473 thousand. The resulting budget projected a deficit of \$156 thousand with an ending fund balance of \$6.2 million or 20.6% of expenditures. The projected fund balance is up due to a change in the starting fund balance from the audited figures of the prior year, which was \$1.4 million better than projected in the original budget.

A final budget amendment was approved in May 2025 to capture changes throughout the fiscal year and as a base for the upcoming year's budget. From the December budget amendment, state revenue increased by \$577 thousand due to updated allocations. Federal revenue increased by \$124 thousand as it was adjusted for spending to date. Expenses were adjusted based on year-to-date activity. The final budget projected a deficit of \$489 thousand resulting in an ending fund balance of \$5.8 million or 18.9% of expenditures.

The actual results reflect an operating surplus of approximately \$555 thousand, \$1.04 million more than expected compared to the final budget amendment. A table showing these results follows.

Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal year ended June 30, 2025

	<u>2024-25 General Fund</u>		
	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Local sources	\$ 4,419,771	\$ 4,598,504	\$ 4,475,999
Received from other districts	895,000	827,500	825,842
State revenue	23,157,084	23,501,767	24,346,543
Federal revenue	970,753	1,679,142	1,683,043
Transfers and other	191,694	70,000	79,094
Total revenues	29,634,302	30,676,913	31,410,521
Variance of actual from budget	1,776,219	733,608	
	5.99%	2.39%	
Expenditures			
Instruction	\$ 17,825,515	\$ 17,782,493	\$17,364,965
Instructional support	3,923,754	3,868,008	3,875,930
Administration	3,121,270	3,161,961	3,145,714
Operations and maintenance	2,108,037	3,171,126	3,268,778
Transportation	1,330,009	1,549,800	1,593,340
Athletics	799,419	979,391	1,010,166
Community Services	208,460	219,846	219,717
Transfers and other	314,000	433,102	376,971
Total expenditures	29,630,464	31,165,727	30,855,581
Variance of actual from budget	(1,225,117)	310,146	
	-4.13%	1.00%	
Change in Fund Balance	3,838	(488,814)	554,940
Variance of actual from budget	551,102	1,043,754	
Percentage of expenditures	1.86%	3.35%	

Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal year ended June 30, 2025

The significant budget variances are attributed to the following items:

Revenue Sources

- Local tax revenue was less than budgeted due to levying less than the full 18.00 mills while the budget reflected the full 18.00 mills.
- State revenue was more than budgeted due to a difference between State Aid and the budget, resulting in higher Proposal A Obligation and Discretionary payments.

Expenditures:

- Retirement expenses were budgeted at the high rate while the actual weighted rate based on staffing in place was lower.
- Technology supply expenditures were less than budgeted due to a project being paused.

Budget variances in expenditures by object category are below.

General Fund <u>Expenditures by Object</u>	2024-25	Percent	2024-25	Percent	Variance	
	<u>Budget</u>	<u>of budget</u>	<u>Actual</u>	<u>of actual</u>	<u>Amount</u>	<u>Percent</u>
Wages	\$14,132,994	45.36%	\$14,165,599	45.91%	\$ (32,605)	-0.23%
Benefits	10,373,728	33.29	10,186,114	33.01	187,614	1.81
Purchased services	2,619,435	8.40	2,635,088	8.54	(15,653)	-0.60
Supplies	1,706,051	5.47	1,564,780	5.07	141,271	8.28
Capital	1,784,017	5.72	1,714,212	5.56	69,805	3.91
Other	549,502	1.76	589,788	1.91	(40,286)	-7.33
Total	\$31,165,727	100.00%	\$30,855,581	100.00%	\$ 310,146	

Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal year ended June 30, 2025

General Fund Year-to-Year Comparative Highlights

In comparing results for the year ended June 30, 2025 to results for the year ended June 30, 2024, State revenue increased due to deferred funds from the previous year being spent. Federal revenue decreased as ESSER III funding concluded in September 2024.

Instructional expenses were up as pay increases in line with the current bargaining agreement. Maintenance and operations increased as we continue to repair and maintain district facilities. Additionally, grant funded security upgrades were made.

General Fund Year-to-Year Comparison of Actual Results

	<u>2024</u>	<u>2025</u>	<u>Difference</u>
Revenues			
Local sources	\$4,212,728	\$ 4,475,999	\$ 263,271
Received from other districts	952,137	825,842	(126,295)
State revenue	22,717,366	24,346,543	1,629,177
Federal revenue	2,413,156	1,683,043	(730,113)
Transfers and other	218,582	79,094	(139,488)
Totals revenues	\$30,513,969	\$31,410,521	\$ 896,552
Expenditures			
Instruction	\$17,064,894	\$17,364,965	\$ 300,071
Instructional support	3,623,659	3,875,930	252,271
Administration	3,241,929	3,145,714	(96,215)
Operations and maintenance	2,261,593	3,268,778	1,007,185
Transportation	1,461,170	1,593,340	132,170
Athletics	892,492	1,010,166	117,674
Community Services	258,104	219,717	(38,387)
Transfers and other	276,360	376,971	100,611
Total expenditures	\$29,080,201	\$30,855,581	\$ 1,775,380

Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal year ended June 30, 2025

As indicated below, funding from the State of Michigan is the District's largest source of revenue at 77.51% which is similar in amount and percentage to last year. The financial stability of the District depends significantly on the economic health of the State of Michigan.

General Fund Revenue and Other Financing Sources				
Revenues	<u>2024-25</u>	<u>Percent</u>	<u>2023-24</u>	<u>Percent</u>
State revenue	\$24,346,543	77.51%	\$22,717,366	74.45%
Federal revenue	1,683,043	5.36	2,413,156	7.91
Local sources	4,475,999	14.25	4,212,728	13.81
Local from other districts	825,842	2.63	952,137	3.12
Transfers and other	79,094	0.25	218,582	0.71
Total revenues	\$31,410,521	100.00%	\$30,513,969	100.00%

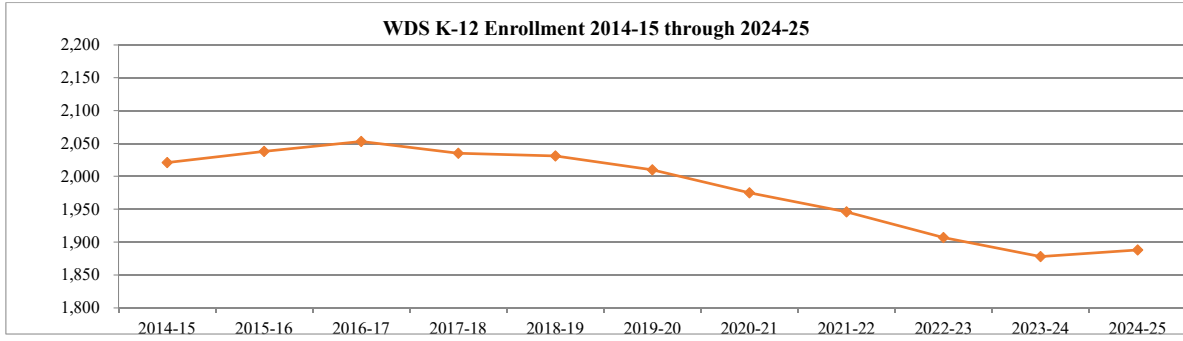
General Fund Expenditures by Function				
Expenditures	<u>2024-25</u>	<u>Percent</u>	<u>2023-24</u>	<u>Percent</u>
Instruction and support	\$21,240,895	68.86%	\$20,688,553	71.14%
Business and administration	3,145,714	10.19	3,241,929	11.15
Operations and maintenance	3,268,778	10.59	2,261,593	7.78
Transportation	1,593,340	5.16	1,461,170	5.02
Athletics	1,010,166	3.27	892,492	3.07
Community Services	219,717	0.71	258,104	0.89
Transfers and other	376,971	1.22	276,360	0.95
Total expenditures	\$30,855,581	100.00%	\$29,080,201	100.00%

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As the chart above indicates, 68.86% of the District's resources are spent on instruction and instructional support services. This indicates the District's priority of spending resources in the classroom and in ways that directly benefit students. It is noted that the District spends approximately 10.59% of its budget on maintenance and operations and 5.16% of its budget on transportation of its students.

Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal year ended June 30, 2025

The District's pupil enrollment for state aid funding purposes increased by 10 full-time equivalent students in the traditional K-12 program in 2024-25. The chart below depicts the enrollment changes experienced by the District over the past eleven years. For the time period presented, the peak K-12 enrollment for the District was 2,035 students in 2016-17.



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Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal year ended June 30, 2025

White Lake Area Community Education Budgetary Highlights

White Lake Area Community Education (WLACE) is a five-district consortium for which Whitehall District Schools serves as the fiscal agent. WLACE provides early childhood, community enrichment, alternative & adult education, and other community service programs to the five-member districts – Whitehall District Schools, Holton Public Schools, Montague Area Public Schools, North Muskegon Public Schools, and Reeths-Puffer Schools.

	<u>2024-25 Community Education Fund</u>		
	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Local revenue	\$ 731,822	\$ 874,922	\$ 899,065
State revenue	2,838,739	2,455,381	2,549,699
Federal revenue	1,393,326	1,350,018	1,370,351
Transfers and other	-	29,102	41,496
Total revenues	<u>4,963,887</u>	<u>4,709,423</u>	<u>4,860,611</u>
Variance of actual from budget	(155,821) -3.0%	155,055 -3.2%	
Expenditures			
Instruction	1,642,982	1,649,961	1,776,785
Support services	358,050	447,775	437,045
Community enrichment	28,890	24,920	25,193
Early childhood	2,851,158	2,693,588	2,877,414
Transfers and other	142,149	-	-
Total expenditures	<u>5,023,229</u>	<u>4,816,244</u>	<u>5,116,437</u>
Variance of actual from budget	93,208 1.9%	300,193 6.2%	
Change in Fund balance	<u>(59,342)</u>	<u>(106,821)</u>	<u>(255,826)</u>
Variance of actual from budget	(196,484)	(149,005)	
Percentage of budgeted Expenditures	-3.9%	-3.1%	

The significant budget variances are attributed to the following items:

Revenue Variances

- Local revenue was higher than budgeted as the daycare program returned to more normal enrollments.

Expenditure Variances

- Instruction expenses were up as additional staff took insurance.
- Early Childhood expenses were higher than budgeted due to the opening of an infant room and a toddler room.

Summary

- The ending fund balance for WLACE is \$283,708 or 5.55% of 2024-25 expenditures.

Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal year ended June 30, 2025

Currently Known Facts and Conditions Affecting the 2024-25 School Year

The adopted general fund budget for the 2025-26 fiscal year projects a deficit of approximately \$335 thousand. This budget will be amended in the winter of 2025-26 to reflect updated factors such as foundation grant information, actual student counts, and final staffing levels. A state budget funding public schools had not been finalized by the state prior to June 30, 2025 when a new district budget was required to be in place. Therefore, estimates were used based on various legislative and executive proposals.

The main assumptions in this budget are:

- The District has budgeted for the per pupil foundation grant to be \$10,000, an increase of \$392 over the prior year. Enrollment was projected to be down 20 students for a budgeted enrollment of 1,868 in the traditional K-12 program.
- The White Lake Area Community Education budget projects a deficit of \$119 thousand. Much of the budget is grant based and expenses are adjusted to meet funding levels.

Employee Contracts (MEA affiliates)

A successor contract for certified staff (teachers and professional instructional support) was ratified in August 2013, and expires August 31, 2027 with periodic re-opener clauses for wages and/or benefits. The most recent re-opener was ratified in June 2023. The current contract with the transportation employees' group was ratified in July of 2023 and expires June 30, 2026.

Requests for Information

This financial report is designed to provide the citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances, and to show how the District is accountable for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to:

CJ Van Wieren, Superintendent
 Whitehall District Schools
 541 E. Slocum Street
 Whitehall, MI 49461
 telephone number (231) 893-1006.

Whitehall District Schools
STATEMENT OF NET POSITION
June 30, 2025

	Governmental activities	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,504,510	
Receivables	23,120	
Due from other governmental units	5,219,973	
Inventories	34,004	
Prepaid items	<u>108,495</u>	
Total current assets	15,890,102	
Noncurrent assets		
Capital assets, net		
Nondepreciable/amortizable	817,882	
Depreciable/amortizable	37,468,660	
Net other postemployment benefits asset	<u>6,514,189</u>	
Total noncurrent assets	<u>44,800,731</u>	
Total assets	60,690,833	
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	119,705	
Related to other postemployment benefits	1,727,473	
Related to pensions	<u>10,551,887</u>	
Total deferred outflows of resources	<u>12,399,065</u>	
Total assets and deferred outflows of resources	73,089,898	
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	3,667,280	
Due to other governmental units	468,639	
Unearned revenue	1,200,010	
Bonds and other obligations, due within one year	<u>3,171,779</u>	
Total current liabilities	8,507,708	
Noncurrent liabilities		
Bonds and other obligations, less amounts due within one year	21,290,689	
Net pension liability	<u>37,633,886</u>	
Total noncurrent liabilities	<u>58,924,575</u>	
Total liabilities	67,432,283	
DEFERRED INFLOWS OF RESOURCES		
Related to other postemployment benefits	8,456,929	
Related to pensions	<u>12,909,078</u>	
Total deferred inflows of resources	<u>21,366,007</u>	
Total liabilities and deferred inflows of resources	<u>88,798,290</u>	
NET POSITION		
Net investment in capital assets	19,049,485	
Restricted		
Debt service	2,133,320	
Food services	126,260	
Community education	283,708	
Technology	601,741	
Net other postemployment benefits	6,514,189	
Unrestricted	<u>(44,417,095)</u>	
Total net position	<u>\$ (15,708,392)</u>	

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The accompanying notes are an integral part of this statement.

Whitehall District Schools
STATEMENT OF ACTIVITIES
For the year ended June 30, 2025

<i>Functions/Programs</i>	Program Revenue			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for services	Operating grants and contributions	Governmental activities	
Governmental activities				
Instruction	\$ 16,969,154	\$ -	\$ 8,777,081	\$ (8,192,073)
Support services	10,209,212	72,900	6,096,778	(4,039,534)
Community services	2,216,207	863,057	2,434,637	1,081,487
Food services	1,474,555	41,803	1,707,033	274,281
Student/school activities	513,947	524,014	-	10,067
Athletics	816,998	85,132	-	(731,866)
Interest on long-term debt	681,859	-	-	(681,859)
Unallocated depreciation and amortization	4,383	-	-	(4,383)
Total governmental activities	\$ 32,886,315	\$ 1,586,906	\$ 19,015,529	(12,283,880)
General revenues				
Property taxes				7,186,375
Grants and contributions not restricted to specific programs				15,282,335
Investment earnings				187,943
Miscellaneous				302,819
Total general revenues				22,959,472
Change in net position				10,675,592
Net position at beginning of year, as previously reported				(22,541,240)
Adjustments to beginning net position				(3,842,744)
Net position at beginning of year, as restated				(26,383,984)
Net position at end of year				\$ (15,708,392)

The accompanying notes are an integral part of this statement.

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Whitehall District Schools
BALANCE SHEET
 Governmental Funds
 June 30, 2025

	General Fund	Community Education Fund	Debt Service Fund	Other governmental funds	Total governmental funds
ASSETS					
Cash and cash equivalents	\$ 6,415,395	\$ 719,800	\$ 2,270,320	\$ 1,098,995	\$ 10,504,510
Receivables	3,261	10,004	-	9,855	23,120
Due from other governmental units	4,585,301	353,319	-	281,353	5,219,973
Due from other funds	557,555	1,211	-	719	559,485
Inventories	27,832	-	-	6,172	34,004
Prepaid items	108,495	-	-	-	108,495
Total assets	\$ 11,697,839	\$ 1,084,334	\$ 2,270,320	\$ 1,397,094	\$ 16,449,587
LIABILITIES					
Accounts payable	\$ 413,245	\$ 13,358	\$ -	\$ 9,519	\$ 436,122
Accrued liabilities	2,756,090	327,417	-	10,651	3,094,158
Due to other governmental units	437,813	25,276	-	5,550	468,639
Due to other funds	535	412,513	-	146,437	559,485
Unearned revenue	1,170,555	22,062	-	7,393	1,200,010
Total liabilities	4,778,238	800,626	-	179,550	5,758,414
FUND BALANCES					
Nonspendable					
Inventories	27,832	-	-	6,172	34,004
Prepaid items	108,495	-	-	-	108,495
Restricted					
Community education	-	283,708	-	-	283,708
Debt service	-	-	2,270,320	-	2,270,320
Food services	-	-	-	126,260	126,260
Technology	-	-	-	601,741	601,741
Committed					
Student/school activities	-	-	-	331,190	331,190
Capital projects	-	-	-	152,181	152,181
Assigned to White Lake Area Community Education	30,958	-	-	-	30,958
Assigned to subsequent year's budget appropriations	335,710	-	-	-	335,710
Unassigned	6,416,606	-	-	-	6,416,606
Total fund balances	6,919,601	283,708	2,270,320	1,217,544	10,691,173
Total liabilities and fund balances	\$ 11,697,839	\$ 1,084,334	\$ 2,270,320	\$ 1,397,094	\$ 16,449,587

The accompanying notes are an integral part of this statement.

Whitehall District Schools
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION**
 June 30, 2025

Total fund balances—governmental funds		\$ 10,691,173
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net other postemployment benefits in governmental activities are not current financial resources and therefore are not reported in the governmental funds.		
		6,514,189
Capital assets used in governmental activities are not current financial resources and are not reported in the governmental funds.		
Cost of capital assets	\$ 67,405,819	
Accumulated depreciation/amortization	(29,119,277)	38,286,542
Deferred charges on refunding are not capitalized and amortized in the governmental funds.		
Deferred charges on refunding	391,763	
Accumulated amortization	(272,058)	119,705
Deferred inflows and outflows of resources related to pensions and other postemployment benefits are not reported in the governmental funds.		
Deferred outflows of resources - related to other postemployment benefits	1,727,473	
Deferred inflows of resources - related to other postemployment benefits	(8,456,929)	
Deferred outflows of resources - related to pensions	10,551,887	
Deferred inflows of resources - related to pensions	(12,909,078)	(9,086,647)
Accrued interest in governmental activities is not reported in the governmental funds.		
		(137,000)
Long-term obligations in governmental activities are not due and payable in the current period and are not reported in the governmental funds.		
		(62,096,354)
Net position of governmental activities		\$ (15,708,392)

The accompanying notes are an integral part of this statement.

Whitehall District Schools
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Governmental Funds
 For the year ended June 30, 2025

	General Fund	Community Education Fund	Debt Service Fund	Other governmental funds	Total governmental funds
REVENUES					
Local sources					
Property taxes	\$ 3,818,171	\$ -	\$ 3,368,204	\$ -	\$ 7,186,375
Investment earnings	144,232	39,972	2,382	1,357	187,943
Fees and charges	210,789	857,721	-	41,803	1,110,313
Student/school activities	-	-	-	524,014	524,014
Other	1,128,649	1,372	-	492,807	1,622,828
Total local sources	5,301,841	899,065	3,370,586	1,059,981	10,631,473
State sources	24,346,543	2,549,699	200,940	366,710	27,463,892
Federal sources	1,683,043	1,370,351	-	1,335,694	4,389,088
Total revenues	31,331,427	4,819,115	3,571,526	2,762,385	42,484,453
EXPENDITURES					
Current					
Instruction	17,364,965	1,776,785	-	256,653	19,398,403
Support services	12,893,928	437,045	-	206,040	13,537,013
Community services	219,717	2,902,607	-	-	3,122,324
Food services	-	-	-	1,614,949	1,614,949
Student/school activities	-	-	-	515,504	515,504
Debt service					
Principal repayment	29,849	-	2,340,000	-	2,369,849
Interest and other charges	1,142	-	914,814	-	915,956
Capital projects	303,541	-	-	-	303,541
Total expenditures	30,813,142	5,116,437	3,254,814	2,593,146	41,777,539
Excess (deficiency) of revenues over (under) expenditures	518,285	(297,322)	316,712	169,239	706,914
OTHER FINANCING SOURCES (USES)					
Transfers in	61,391	41,496	-	943	103,830
Transfers out	(42,439)	-	-	(61,391)	(103,830)
Other transactions	-	-	-	7,695	7,695
Proceeds from subscription-based IT arrangements	17,703	-	-	-	17,703
Total other financing sources (uses)	36,655	41,496	-	(52,753)	25,398
Net change in fund balances	554,940	(255,826)	316,712	116,486	732,312
Fund balances at beginning of year	6,364,661	539,534	1,953,608	1,101,058	9,958,861
Fund balances at end of year	\$ 6,919,601	\$ 283,708	\$ 2,270,320	\$ 1,217,544	\$ 10,691,173

The accompanying notes are an integral part of this statement.

Whitehall District Schools
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 For the year ended June 30, 2025

Net change in fund balances—total governmental funds	\$	732,312
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures; in the Statement of Activities these costs are depreciated over their estimated useful lives.		
Depreciation/amortization expense	\$ (1,817,684)	
Capital outlay	<u>1,493,643</u>	(324,041)
Governmental funds report outflows for deferred charges on refunding as expenditures; in the Statement of Activities these costs are amortized over the bond period.		(65,294)
Debt proceeds are other financing sources in the governmental funds, but the proceeds increase long-term debt in the Statement of Net Position.		(17,703)
Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.		2,653,640
Interest expense on long-term obligations is recorded in the Statement of Activities when incurred, but is not reported in governmental funds until paid.		15,600
Compensated absences and retirement obligations reported in the Statement of Activities do not require the use of current financial resources. They are reported as expenditures when financial resources are used in the governmental funds.		(633,217)
Some other postemployment benefit related expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		3,329,189
Some pension related expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		<u>4,985,106</u>
Change in net position of governmental activities	\$	<u>10,675,592</u>

The accompanying notes are an integral part of this statement.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Whitehall District Schools (School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 more significant of the School District's accounting policies are described below.

Reporting Entity

The School District is governed by an elected seven-member Board of Education (Board), which has responsibility and control over all activities related to public school education within the School District. The School District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities.

Generally accepted accounting principles require that if the School District is considered to be financially accountable for other organizations, those organizations should be included as component units in the School District's financial statements. Since no organizations met this criterion, none are included in the financial statements.

Basis of Presentation—Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the School District. All fiduciary activities, if any, are reported only in the fund financial statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

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

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

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

The School District reports the following major governmental funds:

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

The Community Education Fund accounts for community education, early childhood, adult and alternative education, and employment development programs.

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

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Presentation—Government-wide and Fund Financial Statements—Continued

Additionally, the School District reports the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The School District accounts for its food service, technology, and student/school activities in the school service special revenue funds.

The capital project funds account for the financial resources to be used for the acquisition of fixed assets or construction of major capital projects.

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

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

Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, retirement obligations and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Measurement Focus and Basis of Accounting—Continued

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

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

The state portion of the foundation is provided primarily by a state education property tax millage of 5 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-PRE property taxes, which may be levied at a rate of up to 18 mills. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as due from other governmental units.

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

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

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

Cash and Investments

The School 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 for the School District are reported at fair value (generally based on quoted market prices). Standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the School District intends to hold the investment until maturity.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Cash and Investments—Continued

State statutes authorize the School District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in 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. The School District is also authorized to invest in U. S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above. The School District's deposits and investments are in accordance with statutory authority.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the School District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land is not depreciated/amortized. The other property, equipment, and right to use assets of the School District are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Buildings and improvements	10-50
Furniture and equipment	5-20
Buses and other vehicles	5-10
Right to use – subscription-based IT	3-5

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year in which they are incurred.

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

Defined Benefit Plan

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until that time.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position Flow Assumption

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

It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

Subscription Based IT Arrangements (SBITAs)

The School District is a lessee for multiple noncancelable subscriptions of IT arrangements. The School District recognizes SBITA liabilities and intangible right-to-use SBITA assets in the government-wide financial statements.

At the commencement of a subscription, the School 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.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Subscription Based IT Arrangements (SBITAs)—Continued

Key estimates and judgments related to SBITAs include how the School 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 School 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 School District generally uses its estimated incremental borrowing rate as the discount rate for the SBITA.

The SBITA term includes the noncancelable period of the subscription. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise.

The School District monitors changes in circumstances that would require a remeasurement of each 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.

Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

Property taxes levied by the School District are collected by various municipalities and periodically remitted to the School District. The taxes are levied as of December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due date is February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

Compensated Absences

The School 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.

For fund financial statements, no compensated absence liability is reported for current employees and a compensated absence liability is reported for terminated employees only when the termination date is on or before year end.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Revenues and Expenditures/Expenses—Continued

Retirement Obligations

For government-wide financial statements, the liability for retirement obligations is reported when legally enforceable. For fund financial statements, the liability for retirement obligations is reported either 1) on the due date when there is a specified due date or 2) on the retirement date if it is before year end, when there is not a specified legally enforceable due date.

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, Community Education Fund, and special revenue funds. All annual appropriations lapse at year end.

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

1. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally adopted by Board of Education resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the General Fund and Community Education Fund are noted in the required supplementary information section.
4. The Director of Finance is authorized to transfer budgeted amounts within major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration is employed as a management control device during the year.
6. The budget is amended during the year with supplemental appropriations, the last one approved prior to June 30, 2025.

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE C—DEPOSITS AND INVESTMENTS

Risks and Uncertainties

The School District has accounts that invest in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term that such changes could materially affect account balances, and the amounts reported in the financial statements.

Interest rate risk

The School District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

State law limits investments in commercial paper and corporate bonds to the three highest classifications issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices.

Concentration of credit risk

The School District does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the School District investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial credit risk - deposits

In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. As of June 30, 2025, \$10,364,404 of the School District's bank balance of \$10,614,404 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk - investments

The School District does not have a custodial credit risk policy for investments. This is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Foreign currency risk

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

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE D—CAPITAL ASSETS

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

	Balance			Balance		
	July 1, 2024	Additions	Deductions	June 30, 2025		
Capital assets, not being depreciated/amortized:						
Land	\$ 817,882	\$ -	\$ -	\$ 817,882		
Capital assets, being depreciated/amortized:						
Buildings and improvements	60,712,844	126,474	-	60,839,318		
Furniture and equipment	3,027,331	984,929	301,021	3,711,239		
Buses and other vehicles	1,715,442	344,794	150,987	1,909,249		
Right to use - subscription-based IT	106,722	37,446	16,037	128,131		
Total capital assets, being depreciated/amortized	65,562,339	1,493,643	468,045	66,587,937		
Less accumulated depreciation/amortization:						
Buildings and improvements	23,903,343	1,520,263	-	25,423,606		
Furniture and equipment	2,636,502	98,254	301,021	2,433,735		
Buses and other vehicles	1,173,565	158,727	150,987	1,181,305		
Right to use - subscription-based IT	56,228	40,440	16,037	80,631		
Total accumulated depreciation/amortization	27,769,638	1,817,684	468,045	29,119,277		
Total capital assets, being depreciated/amortized, net	37,792,701	(324,041)	-	37,468,660		
Capital assets, net	\$ 38,610,583	\$ (324,041)	\$ -	\$ 38,286,542		
Depreciation/amortization						
Depreciation/amortization expense has been charged to functions as follows:						
Instruction				\$ 932,219		
Support services				593,949		
Community services				225,651		
Athletics				20,641		
Food services				40,841		
Unallocated				4,383		
				<u>\$ 1,817,684</u>		

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE E—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Community Education Fund	\$ 412,329
General Fund	Other governmental funds	145,226
Community Education Fund	Other governmental funds	1,211
Other governmental funds	General Fund	535
Other governmental funds	Community Education Fund	184
		<u>\$ 559,485</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

The General Fund transferred \$943 to the Food Service Fund as required by the State’s At-Risk funding rules for the breakfast program. The transfer of \$41,496 from the General Fund to the Community Education Fund represents the School District’s portion of the White Lake Area Community Education payments to consortium members recognizing the use of daycare facilities in member districts. The Food Service Fund transferred \$61,391 to the General Fund for allowable food service indirect costs.

NOTE F—LONG-TERM OBLIGATIONS

The School District issues bonds, and other contractual commitments to provide for the acquisition, construction and improvement of major capital facilities and for the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other obligations include Subscription-Based IT Arrangements. The School District’s debt retirement funds are used as the primary resource to liquidate the general obligation bonds. In the event such resources proved insufficient, the School District’s General Fund would be used to pay all obligations.

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE F—LONG-TERM OBLIGATIONS—Continued

The following is a summary of long-term obligations activity for the School District for the year ended June 30, 2025:

	<u>Balance</u>			<u>Balance</u>	<u>Due within</u>
	<u>July 1, 2024,</u>				
	<u>As restated</u>	<u>Additions</u>	<u>Reductions</u>		
Governmental activities					
Bonds	\$ 20,055,000	\$ -	\$ 2,340,000	\$ 17,715,000	\$ 2,425,000
Premium	1,934,267	-	290,764	1,643,503	-
Discount	(29,328)	-	(6,973)	(22,355)	-
Subscription-Based IT Arrangements	32,760	17,703	29,849	20,614	14,516
Compensated absences*	4,050,000	670,000	-	4,720,000	710,000
Retirement obligations	422,490	15,498	52,282	385,706	22,263
	<u>\$ 26,465,189</u>	<u>\$ 703,201</u>	<u>\$ 2,705,922</u>	<u>\$ 24,462,468</u>	<u>\$ 3,171,779</u>

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

The governmental activities general obligation bonds are secured by future state aid and property tax revenues of the School District. If the School District defaults, the bonds are callable.

General obligation bonds consist of the following:

	<u>Interest</u>	<u>Date of</u>	<u>Balance</u>
	<u>Rate</u>	<u>Maturity</u>	
Governmental activities			
General obligation bonds			
2017 School Building and Site Bonds	5%	May 2035	\$ 11,075,000
2021 Refunding Bonds	4%	May 2029	6,640,000
			<u>\$ 17,715,000</u>

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE F—LONG-TERM OBLIGATIONS—Continued

The annual requirements of principal and interest to amortize the bonds, subscription-based IT arrangements, and retirement obligations outstanding as of June 30, 2025 follow:

Year ended June 30,	Governmental Activities					
	Bonds		Subscription-Based IT Arrangements		Retirement Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 2,425,000	\$ 819,350	\$ 14,516	\$ 263	\$ 22,263	\$ -
2027	2,490,000	722,350	6,098	161	14,000	-
2028	2,025,000	622,750	-	-	14,000	-
2029	2,100,000	530,000	-	-	14,000	-
2030	1,325,000	433,750	-	-	14,000	-
2031-2035	7,350,000	1,125,000	-	-	70,000	-
2036	-	-	-	-	237,443	-
	\$ 17,715,000	\$ 4,253,200	\$ 20,614	\$ 424	\$ 385,706	\$ -

Prior-year Defeasance of Debt

In prior years, the School District defeased certain general obligation and other 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 the liabilities for the defeased bonds are not included in the School District's financial statements. On June 30, 2025, \$7.94 million of bonds outstanding are considered defeased.

NOTE G—SUBSCRIPTION BASED IT ARRANGEMENTS (SBITA)

The School District leases the right to use assets from various third parties. These assets include IT subscription assets under SBITAs. Payments on SBITAs are generally fixed annual amounts. The SBITA terms vary from 3 to 5 years and have discount rates ranging from 2.62 to 4 percent.

Right-to-use subscription-based IT assets are included in Note D. SBITA obligations are included in Note F.

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members—eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Plan Description—Continued

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

The System's financial statements are available on the ORS website at Michigan.gov/ORSSchools.

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. Depending on the plan option selected (Basic, Member Investment Plan (MIP), Pension Plus, Pension Plus 2), member retirement benefits for DB plan members are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

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 who became a member 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 percent of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50 percent (up to 1 percent 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 service or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013. Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – Pension—Continued

Pension Reform 2012—Continued

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

Option 1: Members voluntarily elected to increase their contributions to the pension fund as noted below and retain the 1.5 percent pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment. For Basic plan members the contribution is 4 percent. For Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members the contribution is a flat 7 percent.

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

Option 4: Members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4 percent 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 percent at 2 years, 75 percent at 3 years, and 100 percent at 4 years of service. They are 100 percent 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 percent 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 plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

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

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – Pension—Continued

Pension Reform 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 percent. Further, under certain adverse actuarial conditions, the Pension Plus 2 plan will close to new employees if the actuarial funded ratio falls below 85 percent 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, were automatically enrolled as members in the Pension Plus 2 plan as of their date of hire. They had 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.

Regular Retirement

The pension benefit for DB and Pension Plus plan members is based on a member's years of credited service (employment) and final average compensation (FAC). The FAC is calculated based on the member's highest total wages earned during a specific period of consecutive calendar months divided by the service credit accrued during that same time period. For a Member Investment Plan member, who became a member of MPSERS prior to July 1, 2010, the averaging period is 36 consecutive months. For a Pension Plus member, who became a member of MPSERS after June 30, 2010, the averaging period is 60 consecutive months. For a Basic Plan member, this period is the 60 consecutive months yielding the highest total wages. 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.

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – Pension—Continued

Post-Retirement Adjustments

A retiree who became a Member Investment Plan member prior to July 1, 2010, receives an annual post-retirement non-compounded increase of three percent of the initial pension in the October following twelve months of retirement. Basic Plan members do not receive an annual post-retirement increase, but are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions. Pension Plus members do not receive an annual post-retirement increase.

Plan Status

The Basic, MIP, and Pension Plus plans are closed to new entrants. The Pension Plus 2 plan and the DC plan are still open to new entrants.

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

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 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 percent contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3 percent 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 percent employee contribution into their 457 account as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stop paying the 3 percent contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Contributions – Pension and OPEB

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

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

The schedules below summarize the contribution rates in effect for the System's fiscal year ended September 30, 2024.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0 %	23.03 %
Member Investment Plan	3.0 - 7.0	23.03
Pension Plus Plan	3.0 - 6.4	19.17
Pension Plus 2 Plan	6.2	20.10
Defined Contribution	0.0	13.90
OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0 %	8.31 %
Personal Healthcare Fund	0.0	7.06

The School District's pension contributions for the year ended June 30, 2025 were equal to the required contribution total. Pension contributions were approximately \$5,143,000, including Section 147c(1) UAAL rate stabilization and 147c(2) one time deposit-state aid payment contributions.

For the year ended June 30, 2025, the School District and employee defined contribution plan contributions were approximately \$212,000 and \$563,000, respectively.

The School District's OPEB contributions for the year ended June 30, 2025 were equal to the required contribution total. OPEB contributions were approximately \$57,000.

For the year ended June 30, 2025, the School District and employee OPEB defined contribution plan contributions were approximately \$121,000 and \$160,000 respectively.

Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 At June 30, 2025, the School District reported a liability of \$37,633,886 for its proportionate share of the MPSERS net pension liability and an asset of \$6,514,189 for its proportionate share of the MPSERS net OPEB asset.

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources—Continued

The net pension liability and OPEB asset were measured as of September 30, 2024, and the total pension and OPEB liabilities used to calculate the net pension liability and OPEB asset were determined by an actuarial valuation rolled forward from September, 2023. The School District's proportion of the net pension liability and OPEB asset was determined by dividing each employer's statutorily required pension and OPEB contributions to the system during the measurement period by the percent of pension and OPEB contributions, respectively, required from all applicable employers during the measurement period. At September 30, 2024 and 2023, the School District's pension proportion was 0.15372 and 0.15541 percent, respectively. At September 30, 2024 and 2023, the School District's OPEB proportion was 0.15134 and 0.15670 percent, respectively.

For the year ended June 30, 2025, the School District recognized pension expense (benefit) of \$1,210,118 and OPEB expense (benefit) of \$(3,272,241).

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

	Pension		OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,021,034	\$ 408,897	\$ -	\$ 6,903,053
Changes of assumptions	3,923,556	2,757,374	1,422,793	163,538
Net difference between projected and actual earnings on plan investments	-	7,182,141	-	1,233,211
Changes in proportion and differences between School District contributions and proportionate share of contributions	938,402	497,242	288,013	157,127
State of Michigan Section 147c(1) UAAL rate stabilization and 147c(2) one time deposit state aid payments subsequent to the measurement date	-	2,063,424	-	-
School District contributions subsequent to the measurement date	4,668,895	-	16,667	-
Total	\$10,551,887	\$12,909,078	\$ 1,727,473	\$ 8,456,929

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources—Continued

The School District's contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions and OPEB resulting from employer contributions subsequent to the measurement date, in the chart above, will be recognized as a reduction of the net pension liability and addition to the net OPEB asset, respectively, in the year ended June 30, 2026. The State of Michigan Section 147c(1) UAAL rate stabilization and 147c(2) one time deposit-state aid payments subsequent to the measurement date reported as deferred inflows of resources will be recognized as revenue in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in expense as follows:

Year ending June 30,	Pension	OPEB
2026	\$ (813,960)	\$ (2,210,932)
2027	451,414	(1,295,037)
2028	(2,675,667)	(1,268,983)
2029	(1,924,449)	(1,182,918)
2030	-	(659,880)
Thereafter	-	(128,373)
	\$ (4,962,662)	\$ (6,746,123)

Actuarial assumptions

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

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Actuarial assumptions—Continued

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation date –	September 30, 2023
Actuarial cost method –	Entry age, Normal
Wage Inflation Rate –	2.75%
Investment rate of return –	6% a year for the MIP and Basic plans 6% a year for the Pension Plus plan 6% a year for the Pension Plus 2 plan 6% a year for OPEB
Projected salary increases –	2.75%-11.55%, including wage inflation at 2.75%
Cost-of-living pension adjustments –	3% annual non-compounded for MIP members
Healthcare cost trend rate –	Pre-65: 7.25% Year 1 graded to 3.5% Year 15 Post-65: 6.50% Year 1 graded to 3.5% Year 15
Mortality –	Retirees: PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% females and adjusted for mortality improvements using projection scale MP-2021 from 2010 Active: PubT-2010 Male and Female Retiree Mortality Tables scaled by 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010

Opt-Out Assumption

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

Survivor Coverage

80 percent of male retirees and 67 percent of female retirees are assumed to have coverages continuing after the retiree's death.

Coverage Election at Retirement

75 percent of male and 60 percent of female future retirees are assumed to elect coverage of one or more dependents.

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Actuarial assumptions—Continued

Experience Study

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

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2024 are summarized in the following table:

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Domestic Equity Pools	25 %	5.3 %
Private Equity Pools	16	9.0
International Equity Pools	15	6.5
Fixed Income Pools	13	2.2
Real Estate and Infrastructure Pools	10	7.1
Absolute Return Pools	9	5.2
Real Return/Opportunistic Pools	10	6.9
Short Term Investment Pools	<u>2</u>	1.4
Total	<u>100 %</u>	

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

Rate of Return

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

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Discount Rate

A discount rate of 6 percent was used to measure the total pension liability (6 percent for the Pension Plus plan, 6 percent for the Pension Plus 2 plan, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6 percent (6 percent for the Pension Plus plan, 6 percent for the Pension Plus 2 plan). A discount rate of 6 percent 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 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension and OPEB plans' 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 and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6 percent (6 percent for the Pension Plus plan and 6 percent for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

<u>1% Lower*</u> <u>(5% / 5% / 5%)</u>	<u>Discount Rate *</u> <u>(6% / 6% / 6%)</u>	<u>1% Higher*</u> <u>(7% / 7% / 7%)</u>
\$ 55,171,681	\$ 37,633,886	\$ 23,030,297

*Discount rates listed in the following order: Basic and Member Investment Plan (MIP), Pension Plus, and Pension Plus 2.

Sensitivity of the net OPEB liability (asset) to changes in the discount rate

The following presents the School District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 6 percent, as well as what the School District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

<u>1% Lower</u> <u>(5%)</u>	<u>Discount Rate</u> <u>(6%)</u>	<u>1% Higher</u> <u>(7%)</u>
\$ (5,034,220)	\$ (6,514,189)	\$ (7,793,781)

NOTE H—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rate

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

<u>1% Lower</u>	<u>Current Healthcare</u> <u>Cost Trend Rate</u>	<u>1% Higher</u>
\$ (7,793,795)	\$ (6,514,189)	\$ (5,141,822)

Pension and OPEB Plans Fiduciary Net Position

Detailed information about the pension and OPEB plans' fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System Annual Comprehensive Financial Report available at www.michigan.gov/orsschools.

Payable to the pension and OPEB plan

At year end, the School District is current on all required pension and OPEB payments. Accruals for July and August deferred payroll and for July and August Section 147c(1) and 147c(2) amounts are not considered payables for this purpose.

NOTE I—COMMITMENTS AND CONTINGENCIES

Grant Programs

The School District participates in grant programs, which are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at some future date. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

Commitments

As of June 30, 2025, the School District had approved commitments for upgrades to fiber optic lines, switches, and access points in several school buildings for approximately \$445,000.

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE J—OTHER INFORMATION

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The School District participates in two distinct pools of educational institutions within the State of Michigan for self-insuring property and casualty and workers' disability compensation. The pools are considered public entity risk pools. The School District pays annual premiums under a retrospectively rated policy to the pools for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The workers' compensation pool and the property casualty pool maintain reinsurance for claims generally in excess of \$500,000 for each occurrence with the overall maximum coverage varying depending on the specific type coverage of reinsurance.

The School District continues to carry 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.

NOTE K—TAX ABATEMENTS

The School District receives reduced property tax revenues as a result of Industrial Facilities Tax (IFT) exemptions, Brownfield Redevelopment Agreements (BRA), and Payments in Lieu of Taxes (PILOT) granted by cities, villages and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield Redevelopment Agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties; PILOT programs apply to multiple unit housing for citizens of low income and the elderly. The property taxes abated for all fund types by municipality under these programs are as follows:

<u>Municipality</u>	<u>Abatement type</u>	<u>Taxes abated</u>
City of Whitehall	IFT	\$ 84,742
Whitehall Township	IFT	17,240
City of Whitehall	BRA	113,082
Fruitland Township	PILOT	3,847
		<u>\$ 218,911</u>

The tax abatements that reduce the general fund operating tax levy are considered by the State of Michigan when calculating the School District's state aid—section 22 of the State School Aid Act.

There are no significant abatements made by the School District.

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE L—CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2025, the School District implemented GASB Statement 101—*Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

NOTE M—ADJUSTMENTS TO BEGINNING NET POSITION

During fiscal year 2025, the School District implemented GASB Statement 101—*Compensated Absences*. This change in accounting principle resulted in the following changes to beginning net position:

	<u>Governmental Activities</u>
Net position, as previously reported	\$ (22,541,240)
Change in accounting principle (GASB 101)	<u>(3,842,744)</u>
Net position, as restated	<u>\$ (26,383,984)</u>

NOTE N—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:

- Management's discussion and analysis (MD&A);
 - Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - Overview of the Financial Statements,
 - Financial Summary,
 - Detailed Analyses,
 - Significant Capital Asset and Long-Term Financing Activity,
 - Currently Known Facts, Decisions, or Conditions;
 - Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- Unusual or infrequent items;

Whitehall District Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE N—UPCOMING ACCOUNTING PRONOUNCEMENTS—Continued

- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - 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;
 - Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- 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;
- 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 School 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 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 34. Lease assets recognized in accordance with Statement 87—*Leases*, and intangible right-to-use assets recognized in accordance with Statement 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 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 School District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

Whitehall District Schools
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
 General Fund
 For the year ended June 30, 2025

	<u>Budgeted amounts</u>		Actual	Variance with final budget
	Original	Final		
REVENUES				
Local revenue				
Local sources	\$ 4,419,771	\$ 4,598,504	\$ 4,475,999	\$ (122,505)
Received from other districts	895,000	827,500	825,842	(1,658)
State sources	23,157,084	23,501,767	24,346,543	844,776
Federal sources	970,753	1,679,142	1,683,043	3,901
Incoming transfers and other transactions	191,694	70,000	79,094	9,094
Total revenues	<u>29,634,302</u>	<u>30,676,913</u>	<u>31,410,521</u>	<u>733,608</u>
EXPENDITURES				
Instruction				
Basic programs	13,724,362	13,725,937	13,317,674	408,263
Added needs	3,918,716	3,879,677	3,895,508	(15,831)
Adult and continuing education	182,437	176,879	151,783	25,096
Support services				
Pupil	2,644,987	2,576,487	2,620,089	(43,602)
Instructional staff	1,278,767	1,291,521	1,255,841	35,680
General administration	762,918	793,102	800,445	(7,343)
School administration	1,607,691	1,571,544	1,602,803	(31,259)
Business services	305,636	305,050	277,424	27,626
Operations and maintenance	2,108,037	3,171,126	3,268,778	(97,652)
Pupil transportation services	1,330,009	1,549,800	1,593,340	(43,540)
Central support	445,025	492,265	465,042	27,223
Athletics	799,419	979,391	1,010,166	(30,775)
Community services	208,460	219,846	219,717	129
Outgoing transfers and other transactions	314,000	433,102	376,971	56,131
Total expenditures	<u>29,630,464</u>	<u>31,165,727</u>	<u>30,855,581</u>	<u>310,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,838</u>	<u>\$ (488,814)</u>	554,940	<u>\$ 1,043,754</u>
Fund balance at beginning of year			6,364,661	
Fund balance at end of year			<u>\$ 6,919,601</u>	

Whitehall District Schools
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
 Community Education Fund
 For the year ended June 30, 2025

	<u>Budgeted amounts</u>		Actual	Variance with final budget
	Original	Final		
REVENUES				
Local sources	\$ 731,822	\$ 874,922	\$ 899,065	\$ 24,143
State sources	2,838,739	2,455,381	2,549,699	94,318
Federal sources	1,393,326	1,350,018	1,370,351	20,333
Incoming transfers and other transactions	-	29,102	41,496	12,394
Total revenues	<u>4,963,887</u>	<u>4,709,423</u>	<u>4,860,611</u>	<u>151,188</u>
EXPENDITURES				
Instruction	1,642,982	1,649,961	1,776,785	(126,824)
Support services	358,050	447,775	437,045	10,730
Community services				
Community enrichment	28,890	24,920	25,193	(273)
Early childhood	2,851,158	2,693,588	2,877,414	(183,826)
Outgoing transfers and other transactions	142,149	-	-	-
Total expenditures	<u>5,023,229</u>	<u>4,816,244</u>	<u>5,116,437</u>	<u>(300,193)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (59,342)</u>	<u>\$ (106,821)</u>	(255,826)	<u>\$ (149,005)</u>
Fund balance at beginning of year			539,534	
Fund balance at end of year			<u>\$ 283,708</u>	

Whitehall District Schools
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public Schools Employees Retirement System
Last 10 fiscal years (Amounts were determined as of 9/30 of each fiscal year)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (%)	0.15372%	0.15541%	0.15197%	0.14819%	0.14872%	0.15097%	0.15182%	0.15112%	0.14696%	0.14052%
School District's proportionate share of the net pension liability	\$ 37,633,886	\$ 50,301,660	\$ 57,152,545	\$ 35,084,793	\$ 51,088,095	\$ 49,997,400	\$ 45,639,307	\$ 39,161,046	\$ 36,665,038	\$ 34,321,498
School District's covered payroll	\$ 16,237,995	\$ 15,807,162	\$ 16,675,686	\$ 14,750,429	\$ 14,367,445	\$ 14,021,135	\$ 13,610,807	\$ 12,761,711	\$ 12,706,907	\$ 11,751,837
School District's proportionate share of the net pension liability as a percentage of its covered payroll	231.76%	318.22%	342.73%	237.86%	355.58%	356.59%	335.32%	306.86%	288.54%	292.05%
Plan fiduciary net position as a percentage of the total pension liability	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

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Whitehall District Schools
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement System
Last 10 fiscal years (Amounts were determined as of 6/30 of each year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions*	\$ 5,143,167	\$ 4,152,929	\$ 3,242,062	\$ 2,990,259	\$ 2,635,436	\$ 2,568,842	\$ 2,389,257	\$ 2,352,092	\$ 2,409,905	\$ 2,694,696
Contributions in relation to the statutorily required contributions	5,143,167	4,152,929	3,242,062	2,990,259	2,635,436	2,568,842	2,389,257	2,352,092	2,409,905	2,694,696
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 16,788,765	\$ 16,198,452	\$ 17,930,108	\$ 16,278,968	\$ 14,467,934	\$ 14,420,091	\$ 13,959,002	\$ 13,467,650	\$ 12,692,730	\$ 12,486,944
Contributions as a percentage of covered payroll	30.63%	25.64%	18.08%	18.37%	18.22%	17.81%	17.12%	17.46%	18.99%	21.58%

*Note: Years prior to 2024 do not include Section 147c contributions.

Whitehall District Schools
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Michigan Public School Employees Retirement System
Last 8 fiscal years (Amounts were determined as of 9/30 of each year)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's proportion of the net OPEB liability (asset) (%)	0.15134%	0.15670%	0.15373%	0.14854%	0.14879%	0.15076%	0.15246%	0.15121%
School District's proportionate share of the net OPEB liability (asset)	\$ (6,514,191)	\$ (886,436)	\$ 3,256,198	\$ 2,267,348	\$ 7,970,972	\$ 10,821,530	\$ 12,118,923	\$ 13,390,200
School District's covered payroll	\$ 16,237,995	\$ 15,807,162	\$ 16,675,686	\$ 14,750,429	\$ 14,367,445	\$ 14,021,135	\$ 13,610,807	\$ 12,761,711
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-40.12%	-5.61%	19.53%	15.37%	55.48%	77.18%	89.04%	104.92%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

Note: For years prior to 2017 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Whitehall District Schools
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement System
Last 8 fiscal years (Amounts were determined as of 6/30 of each year)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 56,948	\$ 427,397	\$ 1,381,175	\$ 1,274,311	\$ 1,179,127	\$ 1,136,996	\$ 1,075,306	\$ 1,003,843
Contributions in relation to the statutorily required contributions	56,948	427,397	1,381,175	1,274,311	1,179,127	1,136,996	1,075,306	1,003,843
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 16,788,765	\$ 16,198,452	\$ 17,930,108	\$ 16,278,968	\$ 14,467,934	\$ 14,420,091	\$ 13,959,002	\$ 13,467,650
Contributions as a percentage of covered payroll	0.34%	2.64%	7.70%	7.83%	8.15%	7.88%	7.70%	7.45%

Note: For years prior to 2018 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Whitehall District Schools
REQUIRED SUPPLEMENTARY INFORMATION
Notes to Required Supplementary Information
For the year ended June 30, 2025

Pension Information

Benefit changes – There were no changes of benefit terms in 2024.

Changes of assumptions – There were no changes of benefit assumptions in 2024.

OPEB Information

Benefit changes – There were no changes of benefit terms in 2024.

Changes of assumptions – There were no changes of benefit assumptions in 2024.

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APPENDIX D
FORM OF LEGAL OPINION

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DRAFT LEGAL OPINION

Whitehall District Schools
County of Muskegon
State of Michigan

We have acted as bond counsel in connection with the issuance by Whitehall District Schools, County of Muskegon, State of Michigan (the "Issuer"), of its bonds in the aggregate principal amount of \$_____ designated 2026 School Building and Site Bonds (General Obligation - Unlimited Tax) (the "Bonds"). The Bonds are in fully registered form and issued without coupons, are dated _____, 2026, are of \$5,000 denomination or any integral multiple thereof, are subject to redemption prior to maturity at the option of the Issuer in the manner and at the times as set forth in the Bonds, mature on May 1 of each year, and bear interest payable on November 1, 2026, and semiannually thereafter on May 1 and November 1 of each year in the amounts and at the rates as follows:

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

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

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

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

- (1) the Bonds have been lawfully authorized and issued and are enforceable obligations of the Issuer in accordance with their terms;
- (2) the Bonds are the general obligation of the Issuer for which its full faith, credit and resources have been irrevocably pledged;



Whitehall District Schools
County of Muskegon
State of Michigan
_____, 2026

Page 2

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

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

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

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

THRUN LAW FIRM, P.C.

TLF/IFK

APPENDIX E
FORM OF CONTINUING DISCLOSURE AGREEMENT

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**FORM OF
CONTINUING DISCLOSURE AGREEMENT**

§ _____
**WHITEHALL DISTRICT SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN
2026 SCHOOL BUILDING AND SITE BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)**

This Continuing Disclosure Agreement (the “Agreement”) is executed and delivered by Whitehall District Schools, County of Muskegon, State of Michigan (the “Issuer”), in connection with the issuance of its \$_____ 2026 School Building and Site Bonds (General Obligation - Unlimited Tax) (the “Bonds”). The Bonds are being issued pursuant to resolutions adopted by the Board of Education of the Issuer on December 15, 2025 and _____, 2026 (together, the “Resolution”). The Issuer covenants and agrees as follows:

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

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

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

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

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

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

“Financial Obligation” shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b) provided; however, that a “Financial Obligation”



shall not include any municipal security for which a final official statement has been provided to the MSRB consistent with the Rule.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board.

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

“Official Statement” shall mean the final Official Statement for the Bonds dated _____, 2026.

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

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

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

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of Michigan.

SECTION 3. Provision of Annual Reports.

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, on or prior to the end of the sixth month after the end of the fiscal year of the Issuer commencing with the fiscal year ending June 30, 2026, to EMMA an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Agreement. Currently, the Issuer’s fiscal year ends on June 30. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Agreement; provided, however, that if the audited financial statements of the Issuer are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the financial statements contained in the Official Statement shall be included in the Annual Report.

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

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

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

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

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

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

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

SECTION 5. Reporting of Significant Events.

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

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

- (10) release, substitution, or sale of property securing repayment of the securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer or other obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or other obligated person or the sale of all or substantially all of the assets of the Issuer or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or other obligated person, any of which affect security holders, if material;
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer or other obligated person, any of which reflect financial difficulties.

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

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

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

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

SECTION 6. Termination of Reporting Obligation.

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

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

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

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

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

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

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

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

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

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

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

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

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

WHITEHALL DISTRICT SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN

By: _____
Its: Superintendent

Dated: _____, 2026

APPENDIX A

NOTICE TO THE MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Whitehall District Schools, Muskegon County, Michigan
Name of Bond Issue: 2026 School Building and Site Bonds (General Obligation - Unlimited Tax)
Date of Bonds: _____, 2026

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

WHITEHALL DISTRICT SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN

By: _____
Its: Superintendent

Dated: _____



APPENDIX B

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

Name of Issuer: Whitehall District Schools, Muskegon County, Michigan
Name of Bond Issue: 2026 School Building and Site Bonds (General Obligation - Unlimited Tax)
Date of Bonds: _____, 2026

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

WHITEHALL DISTRICT SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN

By: _____
Its: Superintendent

Dated: _____



APPENDIX C

SIGNIFICANT EVENT NOTICE COVER SHEET

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

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

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

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

Number of pages of attached significant event notice: _____

Description of Significant Events Notice (Check One):

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

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

Signature: _____

Name: _____ Title: _____

Employer: _____

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: (_____) _____

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



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