

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.



**\$13,015,000\*\***  
**BRIDGMAN PUBLIC SCHOOL DISTRICT**  
**COUNTY OF BERRIEN, STATE OF MICHIGAN**  
**2026 SCHOOL BUILDING AND SITE BONDS, SERIES I**  
**(GENERAL OBLIGATION - UNLIMITED TAX)**

**Dated: Date of Delivery**

**Due: May 1, as shown below**

On May 5, 2026, the qualified electors of the Bridgman Public School District, County of Berrien, State of Michigan (the "School District") approved the issuance of bonds in the aggregate amount of not to exceed \$21,450,000 to be issued in one or more series. Proceeds of the 2026 School Building and Site Bonds, Series I (General Obligation – Unlimited Tax) (the "Bonds") in the principal amount of \$13,015,000\*\*, representing the first series of bonds issued under the 2026 authorization, will be used for school building and site purposes. The Bonds were authorized by the Board of Education of the School District by resolutions adopted on May 11, 2026 and expected to be adopted on June \_\_, 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	\$325,000				2040	\$620,000			
2029	100,000				2041	650,000			
2030	105,000				2042	680,000			
2031	165,000				2043	715,000			
2032	190,000				2044	750,000			
2033	215,000				2045	790,000			
2034	460,000				2046	830,000			
2035	485,000				2047	870,000			
2036	510,000				2048	915,000			
2037	535,000				2049	960,000			
2038	560,000				2050	995,000			
2039	590,000								

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 Underwriter subject to the approving legal opinion of Thrun Law Firm, P.C., East Lansing, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by 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 June \_\_, 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.



The date of this Official Statement is June \_\_, 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 Underwriter. This Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy these securities be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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

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

BRIDGMAN PUBLIC SCHOOL DISTRICT  
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(269) 465-5432

BOARD OF EDUCATION

Eric Ramso, President  
Wayne Hall, Vice President  
Tishia Roberts, Secretary  
Brad Owen, Treasurer  
JoAnn DeMeulenaere, Trustee  
Nancy Hawley, Trustee  
Tom LaVanway, Trustee

ADMINISTRATIVE STAFF

Shane M. Peters, Superintendent of Schools  
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**OFFICIAL STATEMENT  
relating to**

**\$13,015,000<sup>1</sup>**

**BRIDGMAN PUBLIC SCHOOL DISTRICT  
COUNTY OF BERRIEN, STATE OF MICHIGAN  
2026 SCHOOL BUILDING AND SITE BONDS, SERIES I  
(GENERAL OBLIGATION – UNLIMITED TAX)**

**INTRODUCTION**

The purpose of this Official Statement, which includes the cover page and Appendices, is to furnish information in connection with the issuance and sale by Bridgman Public School District, County of Berrien, State of Michigan (the "School District") of its 2026 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax) (the "Bonds") in the principal amount of \$13,015,000<sup>1</sup>.

**PURPOSE AND SECURITY**

On May 5, 2026, the qualified electors of the School District approved a proposal authorizing the issuance of bonds in an aggregate amount of not to exceed \$21,450,000, to be issued in one or more series. The Bonds in the principal amount of \$13,015,000<sup>1</sup>, representing the first series of bonds issued pursuant to such voter authorization, will be used for the purpose of remodeling, furnishing and refurnishing, and equipping and re-equipping school buildings; and developing and improving sites; 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 May 11, 2026 and expected to be adopted on June \_\_, 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.

**ESTIMATED SOURCES AND USES OF FUNDS**

**SOURCES**

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

**USES**

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

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<sup>1</sup> Preliminary, subject to change.

## 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, and exchanges on the Bonds, which are held in the book-entry-only system, see "Book-Entry-Only System" below. For a description of transfers and exchanges on the Bonds if the Bonds cease to be held in book-entry-only form, see "Transfer Outside Book-Entry-Only System" below.

### **Book-Entry-Only System**

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

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

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

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

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

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

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

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

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

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the School District or Paying Agent. Under such circumstances, in the

event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

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

### **Transfer Outside Book-Entry-Only System**

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

### **Optional Redemption**<sup>1</sup>

The Bonds or portions of the Bonds in multiples of \$5,000 maturing on or after May 1, 2037<sup>1</sup>, are subject to redemption at the option of the School District in such order as the School District may determine and by lot within any maturity, on any date occurring on or after May 1, 2036<sup>1</sup>, 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 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.

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<sup>1</sup> Preliminary, subject to change.

## **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 property<sup>1</sup>, a State sales and use tax, a real estate transfer tax and a cigarette tax.

Generally, school districts are required to levy a local property tax of not more than 18 mills or the number of mills levied in 1993 for school operating purposes, whichever is less, on non-homestead properties<sup>2</sup> in order for the school district to receive its per pupil foundation allowance. The School District levies not to exceed 8.376 mills for school operating purposes on all non-homestead property located in the School District. Due to the significant value of the non-homestead properties in the School District, the School District generates sufficient revenue from its non-homestead operating millage to entirely fund its per pupil foundation allowance without any contribution from the State. In 2025/26 fiscal year, the School District levied 8.376 mills on non-homestead property and received approximately \$14,508 per pupil from its operating millage revenues. Although the School District does not receive State school aid from the State for any portion of its per pupil foundation allowance, the School District does, however, receive State school aid for other categorical items. See "STATE AID PAYMENTS" in APPENDIX A.

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

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<sup>1</sup> "Taxable property" in this context does not include industrial personal property.

<sup>2</sup> "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.

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.

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.<sup>1</sup> While the legislation provides reimbursement for prospective school operating losses, pursuant to legislative changes made in 2020, the School District will be reimbursed for debt millage calculated pursuant to a statutory formula.

### **LITIGATION**

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

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<sup>1</sup> 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.

## TAX MATTERS

### State

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

### Federal

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

There are additional federal tax consequences relative to the Bonds and the interest thereon. The following is a general description of some of these consequences but is not intended to be complete or exhaustive and investors should consult with their tax advisors with respect to these matters. Prospective purchasers of the Bonds should be aware that (i) interest on the Bonds is included in the effectively connected earnings and profits of certain foreign corporations for purposes of calculating the branch profits tax imposed by Section 884 of the Code, (ii) interest on the Bonds may be subject to a tax on excess net passive income of certain S Corporations imposed by Section 1375 of the Code, (iii) interest on the Bonds is included in the calculation of modified adjusted gross income for purposes of determining the taxability of social security or railroad retirement benefits, (iv) the receipt of interest on the Bonds by life insurance companies may affect the federal tax liability of such companies, (v) in the case of property and casualty insurance companies, the amount of certain loss deductions otherwise allowed is reduced by a specific percentage of, among other things, interest on the Bonds, (vi) holders of the Bonds may not deduct interest on indebtedness incurred or continued to purchase or carry the Bonds, and (vii) commercial banks, thrift institutions and other financial institutions may not deduct their costs of carrying certain obligations such as the Bonds.

### Original Issue Premium<sup>1</sup>

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.

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<sup>1</sup> Preliminary, subject to change.

## **Original Issue Discount**<sup>1</sup>

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

## **Future Developments**

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

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

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

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

## **APPROVAL OF LEGAL PROCEEDINGS**

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

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<sup>1</sup> Preliminary, subject to change.

Certain legal matters will be passed upon for the Underwriter by its 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 effect on the market price of the Bonds. Any ratings assigned represent only the views of S&P. Further information is available upon request from S&P Global Ratings, 55 Water Street, New York, New York 10041, telephone: (212) 438-1000.

### **UNDERWRITING**

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

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

The Bonds were authorized at an election held on May 5, 2026. The results of the election were certified by the Berrien County Board of Canvassers on May 14, 2026. Pursuant to State law, an action claiming that material fraud or error was committed at the election may be brought within thirty (30) days from the date the canvass of the election was certified. The Bonds are expected to be priced within the time period during which an action can be brought claiming material fraud or error in the election, and the School District's obligation to sell and deliver the Bonds under the bond purchase agreement will be subject to the condition that no such action has been filed within thirty (30) days from the date the canvass of the election was certified. As of the date hereof, the School District is unaware of any filing of such a claim or the threat of a filing of such a claim.

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

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

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

### **MUNICIPAL ADVISOR'S OBLIGATION**

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

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

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

### **CONTINUING DISCLOSURE**

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

"RETIREMENT PLAN - Contribution to MPERS," "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.

BRIDGMAN PUBLIC SCHOOL DISTRICT  
COUNTY OF BERRIEN  
STATE OF MICHIGAN

By: \_\_\_\_\_  
Its: Superintendent of Schools

# APPENDIX A<sup>1</sup>

## BRIDGMAN PUBLIC SCHOOL DISTRICT

### GENERAL FINANCIAL, ECONOMIC AND SCHOOL INFORMATION

#### LOCATION AND AREA

The Bridgman Public School District (the "School District") occupies an area of 19.6 square miles in the southwestern portion of Michigan's lower Peninsula, encompassing all of the City of Bridgman and portions of the townships of Baroda, Lake, and Lincoln in Berrien County.

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

85 miles east of Chicago, Illinois  
33 miles northwest of South Bend, Indiana  
22 miles south of Benton Harbor  
160 miles west of Ann Arbor

#### POPULATION

The U.S. Census reported and 2024 estimated populations for the School District, the Charter Township of Lake and the County of Berrien are as follows:

	<u>School District</u>	<u>Charter Township of Lake</u>	<u>County of Berrien</u>
2024 Estimate	5,280	3,334	153,288
2020 U.S. Census	5,049	3,316	154,316
2010 U.S. Census	4,919	2,972	156,813

Source: U.S. Census Bureau via [data.census.gov](https://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	757	-4.66%	2021	762	-14.19%
2025	794	-1.85	2020	888	1.14
2024	809	-3.23	2019	878	3.42
2023	836	-0.71	2018	849	-3.85
2022	842	10.50	2017	883	--

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

2025/2026 Fall Count

Kindergarten	82	8 <sup>th</sup>	59
1 <sup>st</sup>	53	9 <sup>th</sup>	56
2 <sup>nd</sup>	43	10 <sup>th</sup>	61
3 <sup>rd</sup>	63	11 <sup>th</sup>	30
4 <sup>th</sup>	56	12 <sup>th</sup>	<u>51</u>
5 <sup>th</sup>	51	Subtotal	731
6 <sup>th</sup>	62	Special Ed.	<u>26</u>
7 <sup>th</sup>	64	Total	<u><u>757</u></u>

Source: School District and Michigan Department of Education via website [www.michigan.gov](http://www.michigan.gov)

**SCHOOL DISTRICT FACILITIES**

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

<u>Facility</u>	<u>Grades Served</u>	<u>Year Built</u>	<u>Last Remodel/Addition</u>	<u>Type of Construction</u>
<i>Elementary School:</i>				
Bridgman	K - 4	1958	2011	Masonry
<i>Middle School:</i>				
F.C. Reed	5 - 8	1978	2012	Masonry
<i>High School:</i>				
Bridgman	9 - 12	1972	2012	Masonry
<i>Additional Facility:</i>				
Aquatic Center	--	1974	2026	Masonry

**OTHER SCHOOLS**

The following parochial school is located within the School District’s boundaries:

<u>Name of School</u>	<u>Grades Served</u>	<u>Approximate Enrollment</u>
Liberty Christian Classical School	K - 8	13

**STATE AID PAYMENTS**

In general, the primary source of funding for most school districts’ operating costs is the State School Aid per pupil foundation allowance. The target foundation allowance has been set at \$10,050 per pupil 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. The School District does not receive funding from state school aid for the per pupil foundation allowance because its school operating taxes revenues on a per pupil basis exceed the target per pupil foundation allowance. 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 and the State Amount Received per Pupil. However, since the School District is out of formula and collected approximately \$14,508 per pupil from its local operating taxes during the 2025 tax collection cycle, it does not receive the target per pupil state aid foundation allowance. The School District does, however, receive state school aid for certain categorical items such as special education, early literacy targeted instruction, isolated districts, school lunches and restricted revenues to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate. Regarding the MPSERS contribution, see the School District’s audited financial statements in APPENCIX C hereto.

Fiscal Year End 30-Jun	Total State Aid Payments	Blended Pupil Count	Amount Received per Pupil from State Aid Payments <sup>1,2</sup>	Amount Received per Pupil from Local Operating Taxes	Total Received per Pupil
2026 <sup>3</sup>	\$2,995,378	758.42	\$3,949	\$14,523	\$18,472
2025	3,771,793	794.79	4,746	15,413	20,159
2024	4,065,278	812.64	5,003	14,272	19,275
2023	3,612,241	837.43	4,313	12,976	17,290
2022	2,310,477	838.23	2,756	13,003	15,760
2021	1,904,794	859.41	2,216	12,543	14,760

<sup>1</sup>Represents the “Total State Aid Payments” divided by the “Blended Pupil Count”.

<sup>2</sup>Categorical Revenue Only. Includes payments received for MPSERS UAAL rate stabilization. See “RETIREMENT PLAN - Contribution to MPSERS” herein.

<sup>3</sup>Preliminary estimate, subject to change.

Source: Michigan Department of Education via website [www.michigan.gov](http://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 <sup>1</sup>	Non- Principal Residence <sup>1</sup>	Total Taxable Value <sup>2</sup>	Percent Change	State Equalized Value	Percent Change
2026	\$328,085,382	\$1,341,358,695	\$1,669,444,077	4.71%	\$1,877,721,600 <sup>3</sup>	5.16%
2025	272,586,898	1,321,785,001	1,594,371,899 <sup>4</sup>	-8.40	1,785,597,580	-6.39
2024	270,884,897	1,469,608,945	1,740,493,842	4.54	1,907,416,630	7.41
2023	273,670,933	1,391,260,539	1,664,931,472	9.23	1,775,767,700	10.39
2022	223,708,006	1,300,495,323	1,524,203,329	----	1,608,568,900	----

<sup>1</sup>All industrial personal property is included in the principal residence tax base. While commercial personal property continues to be included in the non-principal residence tax base, it is exempt from 12 of the 18 operating mills levied on non-principal residence property only. In 2026, industrial personal property had a taxable value of \$125,977,900 and commercial personal property had a taxable value of \$4,997,300 in the School District.

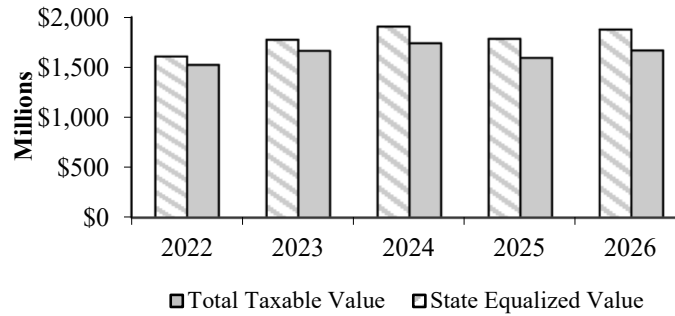
<sup>2</sup>The decline in the valuation is in part due to the elimination of certain personal property from the Taxable Value. The School District receives reimbursement from the State of Michigan for the computed personal property valuation loss on debt levies pursuant to predetermined formulas. The 2025, 2024 and 2022 taxable value of the personal property loss was \$13,463,925 \$3,317,745 and \$29,910,975, respectively. See “MICHIGAN PROPERTY TAX REFORM” herein for more information.

<sup>3</sup>As equalized by the County. Subject to final equalization by the State.

<sup>4</sup>Reduction in values reflect the result of a tax appeal settlement in May 2024 with Indiana Michigan Power Co. which reduced their total Taxable Value by 12% for 2025, this rate will remain flat for 2026 and 2027. For years 2028 through 2030 their Taxable Value will increase by 5% each year.

Source: Berrien County Equalization Department

### History of Valuations



### Annual Equivalent Valuation

A summary of the 2026 valuation is as follows:

2026 Taxable Value	\$1,669,444,077
Plus: 2026 Equivalent IFT Taxable Value <sup>1</sup>	169,546
Total 2026 Equivalent Taxable Value	<u>\$1,669,613,623</u>
Less: 2026 Disabled Veterans Exemption Taxable Value <sup>2</sup>	(2,940,339)
Net 2026 Annual Equivalent Valuation	<u><u>\$1,666,673,284</u></u>

<sup>1</sup>See “INDUSTRIAL FACILITY TAX ABATEMENTS” herein.

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

Source: Berrien County Equalization Department

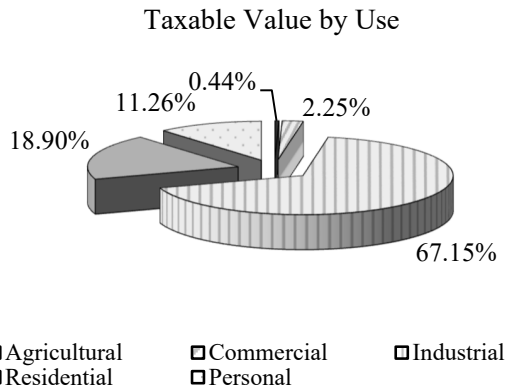
### Tax Base Composition

A breakdown of the School District’s 2026 Taxable Value by class and use is as follows:

By Class:	2026 Taxable Value	Percent of Total
Real Property	\$1,481,421,557	88.74%
Personal Property	188,022,520	11.26
<b>TOTAL</b>	<u><u>\$1,669,444,077</u></u>	<u><u>100.00%</u></u>

By Use:	2026 Taxable Value	Percent of Total
Agricultural	\$7,316,817	0.44%
Commercial	37,593,212	2.25
Industrial	1,120,982,549	67.15
Residential	315,528,979	18.90
Personal	188,022,520	11.26
<b>TOTAL</b>	<u><u>\$1,669,444,077</u></u>	<u><u>100.00%</u></u>



A breakdown of the School District’s 2026 Taxable Value by municipality is as follows:

Municipality	2026 Taxable Value	Percent of Total
Baroda Township	\$6,917,795	0.41%
Lake Township	1,503,744,309	90.07
Lincoln Township	2,268,063	0.14
City of Bridgman	156,513,910	9.38
<b>TOTAL</b>	<u><u>\$1,669,444,077</u></u>	<u><u>100.00%</u></u>

Source: Berrien 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 2026 Taxable Value for the properties which have been granted IFT abatements within the School District’s boundaries is \$339,092, 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: Berrien 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
AEP IN MI/Indiana Michigan Power Co.	Utility	\$1,236,060,091
Lost Dunes Golf Club	Golf Course	3,842,345
Nygren, William Revocable Trust	Residential	2,448,574
Dockerty Enterprises LLC	Retirement Homes	2,391,232
Red Arrow Property Holdings LLC	Real Estate	2,325,794
Warren Dunes Village LLC	Mobile Home Park	2,294,948
Sun Communities	Mobile Home Park	2,013,379
Earley, Anthony F. Jr.	Residential	1,610,349
Sunset Properties LLC	Vacation Home Rental Agency	1,455,725
Marks, Dean J.	Residential	1,444,100
<b>TOTALS</b>		<b>\$1,255,886,537</b>
Total 2025 Taxable Value		\$1,594,371,899
Top 10 Taxpayers as a % of 2025 Total Taxable Value		78.77%

Source: Berrien 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	8.3760	8.3760	8.8800	8.8800	8.3760
Recreation	0.5000	0.5000	0.5000	0.4884	0.4884
Debt	0.8800	0.8800	0.8600	0.8600	0.9200
Sinking Fund	0.5000	0.5000	0.4084	0.4200	0.3600
Total Non-Principal Residence	<u>10.2560</u>	<u>10.2560</u>	<u>10.6484</u>	<u>10.6484</u>	<u>10.1444</u>
Total Principal Residence	<u>1.8800</u>	<u>1.8800</u>	<u>1.7684</u>	<u>1.7684</u>	<u>1.7684</u>

The School District levies voted operating millage on non-principal residence property and sinking fund millage, recreation millage, and authorized debt millage on all taxable property within the School District. The voted operating millage expires with the 2036 levy. The sinking fund millage expires with the 2033 levy. The recreation millage expires with the 2032 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
Berrien County	5.9668	5.9668
City of Bridgman	15.6751	15.8224
Lake Charter Township	3.0000	3.0000
Berrien ISD	2.3677	2.3677
Lake Michigan College	2.2654	2.2654

Source: Berrien County Equalization Department

**TAX LEVIES AND COLLECTIONS**

The School District’s fiscal year begins July 1 and ends June 30. School District property taxes are due July 1 of each year and are payable without interest on or before the following September 14, and without penalty on or before the following February 14. All real property taxes remaining unpaid on March 1 of the year following the levy are turned over to the County Treasurer for collection. Berrien 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	\$11,024,798	\$10,998,317	99.76%	N/A	
2024	12,273,150	12,245,785	99.78	\$12,273,150	100.00%
2023	10,974,327 <sup>1</sup>	10,957,977	99.85	10,957,977	99.85
2022	11,559,259	11,508,190	99.56	11,559,259	100.00
2021	10,913,447	10,891,610	99.80	10,913,447	100.00

<sup>1</sup>Amount is net of rebates issued by the School District to nonhomestead taxpayers for over levies of the operating millage in 2022 and 2023 of .504 mills.

**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](http://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 <sup>2</sup>
2026 <sup>1</sup>	\$2,537,837	\$490,970	\$3,028,807	\$989,655
2025	2,774,175	546,421	3,320,596	872,276
2024	2,812,544	547,136	3,359,680	1,295,016
2023	3,036,263	519,044	3,555,307	1,739,380
2022	2,197,887	467,563	2,665,450	1,034,036

<sup>1</sup>Estimated.

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

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The School District implemented GASB 68 in its year ended June 30, 2015 financial statements. In its June 30, 2025 financial statements, the School District reported a proportionate share of the net pension liability of \$16,244,868 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 \$2,829,640 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	11	Non-Affiliated	N/A
Teachers	65	BEA/MEA	06/30/29
Secretaries/Business Asst.	8	Non-Affiliated	N/A
Custodians	12	Non-Affiliated	N/A
Transportation	9	Non-Affiliated	N/A
Para Professionals	16	Non-Affiliated	N/A
Food Service	9	Non-Affiliated	N/A
<b>TOTAL</b>	<u>130</u>		

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

**DEBT STATEMENT\* - (As of 6/2/26 – 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>
05/06/10	Building & Site, Series A	UTQ	05/01/27	\$1,175,000
08/06/15	Refunding	UTQ	05/01/33	2,700,000
___/___/26	Building & Site	UTNQ	05/01/50	13,015,000*
<b>NET DIRECT DEBT</b>				<b>\$16,890,000*</b>

**OVERLAPPING DEBT:**

<u>Percent Share</u>	<u>Municipality</u>	<u>Net Debt</u>	<u>District's Share</u>
100.00%	City of Bridgman	\$2,094,277	\$2,094,277
4.77	Baroda Township	0	0
97.28	Lake Township	10,856,000	10,560,717
0.25	Lincoln Township	3,882,323	9,706
14.92	Berrien County	2,445,158	364,818
14.29	Berrien ISD	0	0
14.12	Lake Michigan Community College	18,140,000	2,561,368
53.02	GRSD Sewer Authority	0	0
<b>TOTAL OVERLAPPING DEBT</b>			<b>15,590,886</b>
<b>NET DIRECT AND OVERLAPPING DEBT</b>			<b>\$32,480,886*</b>

\*Preliminary, subject to change.

Source: Municipal Advisory Council of Michigan

**OTHER DEBT**

The School District has no short-term borrowing outstanding.

**DEBT HISTORY**

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

**FUTURE FINANCING**

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

**DEBT RATIOS\***

Estimated School District Population	5,280
2026 Taxable Value	\$1,669,444,077
2026 State Equalized Value (SEV)	\$1,877,721,600
2026 True Cash Value (TCV)	\$3,755,443,200
Per Capita 2026 Taxable Value	\$316,182.59
Per Capita 2026 State Equalized Value	\$355,629.09
Per Capita 2026 True Cash Value	\$711,258.18
Per Capita Net Direct Debt	\$3,198.86
Per Capita Net Direct and Overlapping Debt	\$6,151.68
Percent of Net Direct Debt of 2026 Taxable Value	1.01%
Percent of Net Direct and Overlapping Debt of 2026 Taxable Value	1.95%
Percent of Net Direct Debt of 2026 SEV	0.90%
Percent of Net Direct and Overlapping Debt of 2026 SEV	1.73%
Percent of Net Direct Debt of 2026 TCV	0.45%
Percent of Net Direct and Overlapping Debt of 2026 TCV	0.86%

\*Preliminary, subject to change.

**LEGAL DEBT MARGIN\* - (As of 6/2/26 – including the Bonds described herein)**

2026 State Equalized Value		\$1,877,721,600
Legal Debt Limit - 15% of SEV		\$281,658,240
Total Bonded Debt Outstanding	\$16,890,000	
Less: SLRF Qualified Bonds <sup>1</sup>	<u>(3,875,000)</u>	
Net Amount Subject to Legal Debt Limit		<u>13,015,000</u>
 LEGAL DEBT MARGIN AVAILABLE		 <u>\$268,643,240</u>

\*Preliminary, subject to change.

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

**EMPLOYMENT CHARACTERISTICS**

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

Employer	Product or Service	Approx. No. of Employees
<i>Within the School District</i>		
D.C. Cook Nuclear Power Plant	Nuclear Plant/Utility	999
Convergix Automation Solutions	Industrial Equipment Supplier	240
Bridgman Public Schools	Education	130
West Woods of Bridgman Nursing Center	Nursing Home	126
Pratt Industries, Inc.	Flatbed Equipment	85
McDonald's	Fast Food Restaurant	40
Great Lake Metal Stamping, Inc.	Metal Stamping, Welding & Assemblies	40
Lost Dunes Golf Club	Golf Course	35
Industrial Fabrication, LLC	Steel Fabrication	25
Ultra Seal, Inc.	Adhesives & Sealants	20
<i>Within the County of Berrien</i>		
Corewell Health (multiple locations)	Healthcare, Hospitals, Clinics	3,500
Whirlpool Corp. (HQ)	Appliance Manufacturer	2,600
Four Winds Casino	Casino	1,500
D.C. Cook Nuclear Power Plant	Nuclear Energy	1,200
Berrien County	Government	856
Walmart (2 locations)	Retail & Grocery	760
LECO Corporation (HQ)	Laboratory Equipment	750
Andrews University	Education	722
Meijer, Inc. (2 locations)	Retail & Grocery	705
Berrien Springs Public Schools	Education	607

Source: 2025 Michigan Manufacturers Directory, MEDC website via [www.michiganbusiness.org](http://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 Charter Township of Lake and the County of Berrien as follows:

	Charter Township of Lake		County of Berrien	
	Number	Percent	Number	Percent
PERSONS BY OCCUPATION	1,531	100.00%	70,152	100.00%
Management, Business, Science & Arts	648	42.33	26,730	38.10
Service	107	6.99	12,638	18.02
Sales & Office	331	21.62	14,211	20.26
Natural Resources, Construction & Maintenance	264	17.24	5,762	8.21
Production, Transportation & Material Moving	181	11.82	10,811	15.41

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

PERSONS BY INDUSTRY	Charter Township of Lake		County of Berrien	
	Number	Percent	Number	Percent
	1,531	100.00%	70,152	100.00%
Agriculture, Forestry, Fishing, Hunting & Mining	29	1.89	961	1.37
Construction	196	12.80	3,674	5.24
Manufacturing	176	11.50	13,370	19.06
Wholesale Trade	22	1.44	1,148	1.64
Retail Trade	148	9.67	7,213	10.28
Transportation, Warehousing & Utilities	191	12.48	4,433	6.32
Information	10	0.65	810	1.15
Finance, Insurance & Real Estate	111	7.25	3,388	4.83
Professional, Scientific & Management Services	76	4.96	5,808	8.28
Educational, Health & Social Services	290	18.94	16,714	23.83
Arts, Entertainment, Recreation & Food Services	95	6.21	6,695	9.54
Other Services except Public Administration	113	7.38	3,711	5.29
Public Administration	74	4.83	2,227	3.17

## UNEMPLOYMENT

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

Annual Average	County of Berrien	State of Michigan
March, 2026	4.8%	5.1%
2025	5.3	5.2
2024	5.0	4.7
2023	4.2	3.9
2022	4.4	4.2

## POPULATION BY AGE

The U.S. Census Bureau, 2020-2024 American Community Survey reports the breakdown of population by age for the Charter Township of Lake and the County of Berrien as follows:

	Charter Township of Lake		County of Berrien	
	Number	Percent	Number	Percent
Total Population	3,334	100.00%	153,288	100.00%
0 through 19 years	924	27.71	36,097	23.55
20 through 64 years	1,776	53.27	84,488	55.12
65 years and over	634	19.02	32,703	21.33
Median Age	43.7 years		42.7 years	

**INCOME**

The U.S. Census Bureau, 2020-2024 American Community Survey reports the breakdown of household income for the Charter Township of Lake and the County of Berrien as follows:

	Charter Township of Lake		County of Berrien	
	Number	Percent	Number	Percent
HOUSEHOLDS BY INCOME	1,254	100.00%	63,999	100.00%
Less than \$ 10,000	0	0.00	3,509	5.48
\$ 10,000 to \$ 14,999	0	0.00	3,294	5.16
\$ 15,000 to \$ 24,999	70	5.58	5,297	8.28
\$ 25,000 to \$ 34,999	124	9.89	5,404	8.44
\$ 35,000 to \$ 49,999	131	10.45	7,802	12.19
\$ 50,000 to \$ 74,999	278	22.17	10,881	17.00
\$ 75,000 to \$ 99,999	177	14.11	7,764	12.13
\$100,000 to \$149,999	281	22.41	10,073	15.74
\$150,000 to \$199,999	111	8.85	4,707	7.35
\$200,000 or MORE	82	6.54	5,268	8.23
Median Income	\$83,241		\$65,425	

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**APPENDIX B**  
**GENERAL FUND BUDGET SUMMARY AND**  
**COMPARATIVE FINANCIAL STATEMENTS**

**Bridgman Public Schools**  
**General Fund Budget Summary**

	<u>As Amended</u> <u>2025/26</u>
<b>Revenues</b>	
Property Taxes	\$11,038,406
Local Sources	385,150
State Sources	2,614,657
Federal Sources	195,784
Intermediate Sources	304,975
Earnings on Investments	300,030
<b>Total Revenues</b>	<u>\$14,839,002</u>
<b>Expenditures</b>	
Instructional Services	
Basic Program	\$5,882,612
Added Needs	1,844,018
Basic Employee Benefits	1,378,000
Support	
Pupil	940,767
Instructional Staff	670,744
General Administration	427,612
School Administration	825,660
Business Services	599,216
Operation & Maintenance	1,692,406
Transportation	365,795
Athletics	490,190
Intergovernmental Payments (Receipts)	10,258
<b>Total Expenditures</b>	<u>\$15,127,278</u>
<b>Excess of Expenditures (over) under Revenues</b>	<u>(\$288,276)</u>
<b>Other Financing Sources (Uses)</b>	
Operating Transfers In	\$430,000
Fund Modifications, Including Operating Transfers Out	(430,000)
<b>Total Other Financing Sources (Uses)</b>	<u>\$0</u>
<b>Net Change in Fund Balance</b>	(\$288,276)
<b>Beginning Fund Balance - July 1</b>	<u>\$6,841,247</u>
<b>Projected Fund Balance - June 30</b>	<u><u>\$6,552,971</u></u>

Source: School District

**Bridgman Public Schools**  
**General Fund**  
**Comparative Balance Sheet**

	For Fiscal Years Ended June 30th		
	2023	2024	2025
<b>Assets</b>			
Cash and Cash Equivalents	\$5,256,580	\$5,275,880	\$324,198
Investments	--	--	6,679,963
Receivables	2,845	459	--
Due from Other Governmental Units	830,071	1,164,136	739,700
Inventories	22,617	33,694	33,876
Prepaid Expenses	196,183	218,825	124,994
<b>Total Assets</b>	<u>\$6,308,296</u>	<u>\$6,692,994</u>	<u>\$7,902,731</u>
<b>Liabilities</b>			
Accounts Payable	\$76,866	\$85,158	\$65,604
Due to Other Governmental Funds	3,312	3,302	4,968
Accrued Salaries & Other Liabilities	1,080,481	1,014,919	809,400
Unearned Revenue	259,747	384,991	181,512
<b>Total Liabilities</b>	<u>\$1,420,406</u>	<u>\$1,488,370</u>	<u>\$1,061,484</u>
<b>Fund Balances</b>			
Non-spendable			
Prepays	\$196,183	\$218,825	\$124,994
Inventories	22,617	33,694	33,876
Assigned for Subsequent Year's Budget Deficit	--	--	442,193
Unassigned	4,669,090	4,952,105	6,240,184
<b>Total Fund Balances</b>	<u>\$4,887,890</u>	<u>\$5,204,624</u>	<u>\$6,841,247</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$6,308,296</u></u>	<u><u>\$6,692,994</u></u>	<u><u>\$7,902,731</u></u>

Source: Audited Financial Statements

**Bridgman Public Schools  
General Fund**

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

	For Fiscal Years Ended June 30th		
	2023	2024	2025
<b>Revenues</b>			
Property Taxes	\$11,559,259	\$10,974,327	\$12,273,150
Local Sources	152,751	209,975	140,165
State Sources	3,408,026	3,751,518	3,966,336
Federal Sources	865,013	660,955	210,554
Intermediate Sources	291,208	466,149	515,845
Earnings on Investments	59,109	432,740	404,023
<b>Total Revenues</b>	<u>\$16,335,366</u>	<u>\$16,495,664</u>	<u>\$17,510,073</u>
<b>Expenditures</b>			
Current			
Instruction	\$9,364,325	\$9,653,809	\$9,378,276
Supporting Services	6,259,440	6,512,855	6,480,483
Intergovernmental Payments	8,390	12,266	14,691
<b>Total Expenditures</b>	<u>\$15,632,155</u>	<u>\$16,178,930</u>	<u>\$15,873,450</u>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	\$150,000	\$0	\$0
<b>Total Other Financing Sources (Uses)</b>	<u>\$150,000</u>	<u>\$0</u>	<u>\$0</u>
<b>Net Change in Fund Balance</b>	\$853,211	\$316,734	\$1,636,623
<b>Fund Balance - Beginning</b>	<u>\$4,034,679</u>	<u>\$4,887,890</u>	<u>\$5,204,624</u>
<b>Fund Balance - Ending</b>	<u><u>\$4,887,890</u></u>	<u><u>\$5,204,624</u></u>	<u><u>\$6,841,247</u></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

To the Board of Education of  
Bridgman Public School District  
Bridgman, 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 Bridgman Public School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Change in Accounting Principle*

As discussed in Note 14 to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

*Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

INDEPENDENT AUDITOR'S REPORT, 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 misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

*Required Supplementary Information*

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

*Supplementary Information*

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

INDEPENDENT AUDITOR'S REPORT, CONCLUDED

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2025 on our consideration of the 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 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 District's internal control over financial reporting and compliance.

Respectfully submitted,

Certified Public Accountants

St. Joseph, Michigan  
October 8, 2025

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Bridgman Public School District is a K-12 school district located in Berrien County, Michigan. The Management’s Discussion and Analysis, a requirement of the Governmental Accounting Standards Board (“GASB”) Statement No. 34 (“GASB 34”), is intended to be discussion and analysis of the financial results for the fiscal year ended June 30, 2025, of the management of Bridgman Public School District (the “District”).

Generally accepted accounting principles (“GAAP”) and GASB 34 require the reporting of two types of financial statements: District-wide Financial Statements and Fund Financial Statements.

**District-Wide Financial Statements**

The District-wide financial statements are full accrual basis statements. They report all of the District’s assets, deferred outflows, liabilities and deferred inflows, short-term and long-term, regardless of whether they are “currently available” or not. For example, assets that are restricted for use in the debt service funds solely for the payment of long-term principal or interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the District are reported in the Statement of Net Position of the District-wide financial statements.

**Fund Financial Statements**

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

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education’s 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: Debt Service Fund – QSCB and 2015 Refunding Bonds (a debt service fund), Recreation Fund, Student Activity Fund and Food Services Fund (special revenue funds), and Sinking Fund (a capital projects fund).

In the fund financial statements, capital assets purchased with cash are reported as expenditures in the year of acquisition. No capital 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 years’ debt obligations are not recorded.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

MANAGEMENT’S DISCUSSION AND ANALYSIS

**Analysis of Financial Position**

The district-wide net position of the District as of June 30 is summarized in the table below:

	2025	2024*
<b>Assets</b>	<u>\$ 34,585,334</u>	<u>\$ 30,970,815</u>
<b>Deferred Outflows of Resources</b>	<u>\$ 5,090,738</u>	<u>\$ 8,076,203</u>
<b>Liabilities</b>	<u>\$ 22,978,785</u>	<u>\$ 30,032,707</u>
<b>Deferred Inflows of Resources</b>	<u>\$ 9,011,294</u>	<u>\$ 6,561,969</u>
<b>Net Position</b>		
Net investment in capital assets	\$ 12,386,251	\$ 10,862,272
Restricted	6,542,816	5,800,096
Unrestricted	<u>(11,243,074)</u>	<u>(14,210,026)</u>
Total Net Position	<u>\$ 7,685,993</u>	<u>\$ 2,452,342</u>

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

During the fiscal year ended June 30, 2025, the District’s net position increased by \$5,670,134. A few of the significant factors affecting net position during the year are discussed below.

**A. Assets**

The District’s assets increased by \$3,614,519 during the year, primarily due to an increase in cash and investments at end of year.

The District's investment in capital assets decreased by \$531,786 during the year. The net activity for the year is summarized in the following table:

	Beginning Balance	Additions	Disposals and Adjustments	Ending Balance
Assets not being depreciated	\$ 151,100	\$ -	\$ -	\$ 151,100
Assets being depreciated	39,285,436	382,493	(2,864,135)	36,803,794
Less: Accumulated depreciation	<u>21,462,416</u>	<u>885,940</u>	<u>(2,835,796)</u>	<u>19,512,560</u>
Net capital assets	<u>\$ 17,974,120</u>	<u>\$ (503,447)</u>	<u>\$ (28,339)</u>	<u>\$ 17,442,334</u>

Current year capital additions of \$382,493 is comprised of improvements to the middle and high school flooring, two new buses, copiers, the elementary and high school basin project.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**B. Deferred Outflows of Resources**

The District's deferred outflows of resources decreased by \$2,985,465 during the year, primarily due to an decrease in deferred outflows of resources related to pension.

**C. Long-Term Debt**

During fiscal year 2010, the District issued \$15,000,000 of general obligation – unlimited tax School Building and Site Bonds. The proceeds were used for acquiring, installing, and equipping instructional technology for school facilities; equipping and remodeling school facilities; construction and improvement of athletic facilities; developing and improving sites, and paying the costs of issuing the bonds. During the current fiscal year, the District made \$1,150,000 of principal payments.

During fiscal year 2016, bonds totaling \$3,605,000 were issued and recorded in the Debt Service – QSCB and 2015 Refunding Bonds Fund. The refunding was done for an estimated present value savings of \$156,237. During the current fiscal year, the District made early debt payments in the amount of \$905,000.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Results of Operations****A. District-wide**

The District-wide results of operations for the fiscal years ended June 30 are summarized in the following table:

	<u>2025</u>	<u>2024*</u>
<b>Revenues</b>		
General Revenues		
Property taxes levied for general purposes	\$ 12,273,150	\$ 10,974,327
Property taxes levied for recreational purposes	871,160	834,265
Property taxes levied for debt service purposes	1,533,241	1,434,935
Property taxes levied for capital project purposes	871,150	681,426
State aid not restricted to specific purposes	42,831	87,586
Other general revenues	763,866	816,245
Loss on disposal of capital assets	(28,339)	-
Total general revenues	<u>\$ 16,327,059</u>	<u>\$ 14,828,784</u>
Operating Grants/Contributions	<u>\$ 5,455,611</u>	<u>\$ 5,666,297</u>
Charges for Services		
Food services	\$ 84,340	\$ 51,743
Student activities	213,904	229,118
Athletics	49,745	61,628
Recreation	57,445	40,370
Total charges for services	<u>\$ 405,434</u>	<u>\$ 382,859</u>
Total revenues	<u>\$ 22,188,104</u>	<u>\$ 20,877,940</u>
<b>Expenses</b>		
Instruction and instructional support	\$ 7,841,054	\$ 8,591,322
Support services	5,556,981	5,761,779
Food services	704,575	653,065
Student activities	210,600	232,329
Recreation	508,517	419,641
Athletics	466,345	487,003
Interest on long-term debt	343,958	441,391
Depreciation (unallocated)	885,940	888,802
Total expenses	<u>\$ 16,517,970</u>	<u>\$ 17,475,332</u>
<b>Change in Net Position</b>	<u>\$ 5,670,134</u>	<u>\$ 3,402,608</u>

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

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

MANAGEMENT’S DISCUSSION AND ANALYSIS

**B. General Fund**

**State of Michigan Aid (Net State Foundation Grant)**

The State of Michigan aid is determined by the following variables:

1. State of Michigan State Aid Act per student foundation allowance,
2. Student Enrollment - Blended at 90% of current year fall count and 10% of prior year winter count, and
3. The District's non-homestead levy.

The District is an out-of-formula district, which means the District’s non-homestead levy exceeded the total foundation granted by the State. As such, there are no State Foundation Allowance funds provided by the State, but the District does receive other State categorical grants.

**Student Enrollment**

The District's student enrollment for the fall count of 2024-2025 was 795 students. The District's enrollment decreased by 18 students from the prior year’s student count. The following summarizes fall student enrollments for the past five years:

<u>Fiscal Year</u>	<u>Student FTE</u>	<u>FTE Change from Prior Year</u>
2024-2025	795	(18)
2023-2024	813	(24)
2022-2023	837	(1)
2021-2022	838	(21)
2020-2021	859	(29)

Subsequent to year end June 30, 2025, preliminary student enrollments for 2025-2026 indicate enrollments will decrease slightly with the fiscal year 2025.

**Property Taxes Levied for General Operations (General Fund Non-Homestead Taxes)**

The District levies 8.376 mills of property taxes for operations (General Fund) on Non-Homestead properties. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually the taxable valuation increase in property values is capped at the rate of the prior year's CPI increase or 5 percent, whichever is less. At the time of sale, a property's taxable valuation is readjusted to the State Equalized Value, which is, theoretically, 50 percent of the market value.

The District's non-homestead property levy for the 2024-2025 fiscal year produced revenue of \$12,273,150. Revenue produced by the non-homestead tax levy increased by 6.20% over the prior year.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

MANAGEMENT’S DISCUSSION AND ANALYSIS

**Property Taxes Levied for General Operations (General Fund Non-Homestead Taxes), Concluded**

The following summarizes the District's non-homestead levy over the past five years:

<u>Fiscal Year</u>	<u>Non-Homestead Tax Levy</u>	<u>Prior Year</u>
2024-2025	\$ 12,273,150	6.20%
2023-2024	10,974,327	-5.10%
2022-2023	11,559,259	5.90%
2021-2022	10,913,447	1.30%
2020-2021	10,773,396	0.50%

**C. Debt Service Funds**

The District's debt service fund’s levies are based on the taxable valuation of all properties – homestead and non-homestead. It is used to pay principal and interest on bond obligations of the District.

For 2024-2025, the District's debt millage levies totaled .88 mills that generated revenue of \$1,533,241.

**D. Sinking Fund**

The District’s Sinking Fund is to be used for capital repairs. The Sinking Fund levied .50 mills and resulted in Sinking Fund revenue of \$871,150.

**E. Recreation Fund**

The District's recreation fund levies are based on the taxable valuation of all properties – homestead and non-homestead. The recreation fund levy is used to maintain community pool and other recreation facilities within the District. For 2024-2025, the millage was .50 mills and generated revenue of \$871,160.

**F. Food Sales to Students & Adults (School Lunch Program)**

The total expenditures and transfers from Food Services operations exceeded total revenue for the year by \$50,459 for an ending fund balance of \$252,527.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

MANAGEMENT’S DISCUSSION AND ANALYSIS

**General Fund Expenditures Budget Vs. Actual—Five Year History**

Fiscal Year	Expenditures			Variance:	Variance:
	Preliminary Budget	Expenditures Final Budget	Expenditures Final Audit	Audit vs. Prelim. Budget	Audit vs. Final Budget
2024-2025	\$ 16,474,440	\$ 16,000,770	\$ 15,873,450	3.65%	0.80%
2023-2024	15,166,006	16,278,246	16,178,930	-6.68%	0.61%
2022-2023	13,845,480	15,673,036	15,632,155	-12.90%	0.26%
2021-2022	13,424,616	13,533,395	13,496,513	-0.54%	0.27%
2020-2021	12,719,269	13,240,294	13,142,166	-3.32%	0.74%
Five Year Average (-Over/Under) Budget				-3.96%	0.54%

**General Fund Revenues Budget Vs. Actual—Five Year History**

Fiscal Year	Revenues			Variance:	Variance:
	Preliminary Budget	Revenues Final Budget	Revenues Final Audit	Audit vs. Prelim. Budget	Audit vs. Final Budget
2024-2025	\$ 16,381,079	\$ 17,453,205	\$ 17,510,073	6.89%	0.33%
2023-2024	14,412,464	16,379,054	16,495,664	14.45%	0.71%
2022-2023	13,933,534	16,416,287	16,485,366	18.31%	0.42%
2021-2022	13,585,534	14,263,326	14,315,224	5.37%	0.36%
2020-2021	12,857,655	13,780,261	13,817,267	7.46%	0.27%
Five Year Average Over Budget				10.50%	0.42%

**Original vs. Final Budget**

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year.

As a matter of practice, the District may amend its budget during the school year. For the 2024-2025 year, the District amended its original budget in February 2025 and June 2025.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

MANAGEMENT’S DISCUSSION AND ANALYSIS

**Factors Bearing on District’s Future**

Lake Township and Indiana Michigan Power have reached a settlement regarding a tax tribunal appeal. This resolution will have direct implications for the District’s financial outlook for the upcoming years. The settlement stipulates that for the tax years 2025, 2026, and 2027, Indiana Michigan Power’s taxable value will revert to the 2022 value of \$1,108,681,400. While this decision aims to provide stability for the parties involved, it will also have adverse financial consequences for the District. In tax years 2028, 2029, and 2030, the District will see an increase to Indiana Michigan Power’s taxable value at a rate of 5% per year. The agreed-upon taxable value will result in an estimated loss of revenue of approximately \$1.2 million in tax year 2025 and will stay flat for 2026 and 2027. This reduction in revenue has necessitated a reevaluation of the District’s budget and financial planning strategies. The District has implemented strategic financial planning measures to address the anticipated revenue shortfall. This has included exploring alternative funding sources, reassessing expenditures, and adjusting staffing and program offerings to align with available resources. These evaluation and planning measures will continue every fiscal year.

**Contacting the District’s Financial Management**

The financial report is designed to provide our citizens and taxpayers with a general overview of the District’s finances. If you have questions about this report or need additional information, please contact the Business Office at the District.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**STATEMENT OF NET POSITION  
JUNE 30, 2025

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,138,154
Investments	12,239,916
Receivables	23,466
Due from other governmental units	746,917
Inventories	39,913
Prepaid expenditures	124,994
Capital assets not being depreciated	151,100
Capital assets being depreciated, net	17,291,234
Net OPEB asset	2,829,640
<b>Total Assets</b>	<b>\$ 34,585,334</b>
<b>Deferred Outflows of Resources</b>	
Related to pension	\$ 4,210,979
Related to OPEB	784,009
Interest charges on bond issuance	95,750
<b>Total Deferred Outflows of Resources</b>	<b>\$ 5,090,738</b>
<b>Liabilities</b>	
Accounts payable	\$ 137,247
Salaries and benefits payable	809,400
Accrued interest	43,458
Unearned revenue	181,512
Noncurrent liabilities	
Bonds payable, due within one year	1,187,730
Compensated absences and severance pay, due within one year	41,047
Bonds payable, due in more than one year	3,964,103
Compensated absences and severance pay, due in more than one year	369,420
Net pension liability	16,244,868
<b>Total Liabilities</b>	<b>\$ 22,978,785</b>
<b>Deferred Inflows of Resources</b>	
Related to pension	\$ 4,618,039
Related to state funding for pension benefits	713,609
Related to OPEB	3,679,646
<b>Total Deferred Inflows of Resources</b>	<b>\$ 9,011,294</b>
<b>Net Position</b>	
Net investment in capital assets	\$ 12,386,251
Restricted for:	
Capital projects	3,503,570
Debt service	209,606
Net OPEB asset	2,829,640
Unrestricted	(11,243,074)
<b>Total Net Position</b>	<b>\$ 7,685,993</b>

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*The Notes to Financial Statements are an integral part of this statement.*

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025

Functions/Programs	Program Revenues				Governmental
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Activities
Governmental activities:					Net (Expense) Revenue and Changes in Net Position
Instruction	\$ 7,841,054	\$ -	\$ 4,691,302	\$ -	\$ (3,149,752)
Support services	5,556,981	-	-	-	(5,556,981)
Food services	704,575	84,340	583,498	-	(36,737)
Student activities	210,600	213,904	-	-	3,304
Recreation	508,517	57,445	-	-	(451,072)
Athletics	466,345	49,745	-	-	(416,600)
Interest on long-term debt	343,958	-	180,811	-	(163,147)
Depreciation (unallocated)	885,940	-	-	-	(885,940)
	<u>\$ 16,517,970</u>	<u>\$ 405,434</u>	<u>\$ 5,455,611</u>	<u>\$ -</u>	<u>\$ (10,656,925)</u>
General Revenues:					
Taxes:					
Property taxes, levied for general purposes					\$ 12,273,150
Property taxes, levied for recreational purposes					871,160
Property taxes, levied for debt service purposes					1,533,241
Property taxes, levied for capital project purposes					871,150
State aid not restricted to specific purposes					42,831
Interest					710,479
Other					53,387
Loss on disposal of asset					(28,339)
Total general revenues					<u>\$ 16,327,059</u>
Change in Net Position					\$ 5,670,134
Net Position - beginning of year (as previously stated)					2,452,342
Adjustment to beginning net position					(436,483)
Net Position - beginning of year (as restated)					<u>\$ 2,015,859</u>
Net Position - end of year					<u>\$ 7,685,993</u>

The Notes to Financial Statements are an integral part of this statement.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025

	General Fund	Recreation Fund	Debt Service Funds	Sinking Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 324,198	\$ 124,706	\$ 208,820	\$ 80,000	\$ 400,430	\$ 1,138,154
Investments	6,679,963	2,076,920	-	3,483,033	-	12,239,916
Receivables	-	2,118	-	-	-	2,118
Due from other governmental units	739,700	-	-	-	7,217	746,917
Due from other governmental funds	-	446	786	446	3,290	4,968
Inventories	33,876	-	-	-	6,037	39,913
Prepaid expenditures	124,994	-	-	-	-	124,994
Total Assets	<u>\$ 7,902,731</u>	<u>\$ 2,204,190</u>	<u>\$ 209,606</u>	<u>\$ 3,563,479</u>	<u>\$ 416,974</u>	<u>\$ 14,296,980</u>
<b>Liabilities</b>						
Accounts payable	\$ 65,604	\$ 8,850	\$ -	\$ 59,909	\$ 2,884	\$ 137,247
Salaries and benefits payable	809,400	-	-	-	-	809,400
Unearned revenue	181,512	-	-	-	-	181,512
Due to other governmental funds	4,968	-	-	-	-	4,968
Total Liabilities	<u>\$ 1,061,484</u>	<u>\$ 8,850</u>	<u>\$ -</u>	<u>\$ 59,909</u>	<u>\$ 2,884</u>	<u>\$ 1,133,127</u>
<b>Fund Balances</b>						
Non-spendable - inventories	\$ 33,876	\$ -	\$ -	\$ -	\$ 6,037	\$ 39,913
Non-spendable - prepaid items	124,994	-	-	-	-	124,994
Restricted for capital projects	-	-	-	3,503,570	-	3,503,570
Restricted for debt retirement	-	-	209,606	-	-	209,606
Restricted for food services	-	-	-	-	246,490	246,490
Restricted for recreation	-	2,195,340	-	-	-	2,195,340
Committed for student activities	-	-	-	-	161,563	161,563
Assigned for 2025-26 budget deficit	442,193	-	-	-	-	442,193
Unassigned	6,240,184	-	-	-	-	6,240,184
Total Fund Balances	<u>\$ 6,841,247</u>	<u>\$ 2,195,340</u>	<u>\$ 209,606</u>	<u>\$ 3,503,570</u>	<u>\$ 414,090</u>	<u>\$ 13,163,853</u>
Total Liabilities and Fund Balances	<u>\$ 7,902,731</u>	<u>\$ 2,204,190</u>	<u>\$ 209,606</u>	<u>\$ 3,563,479</u>	<u>\$ 416,974</u>	<u>\$ 14,296,980</u>

The Notes to Financial Statements are an integral part of this statement.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025

**Total Fund Balances - Governmental Funds** \$ 13,163,853

Amounts reported for governmental activities in the Statement  
of Net Position are different because:

Federal receivable for interest subsidy related to the 2010 QSCB bond  
issuance that will be received after 60 days but earned by year-end. 21,348

Capital assets used in governmental activities are not financial  
resources and are not reported in the funds.

Cost of the capital assets 36,954,894  
Accumulated depreciation (19,512,560)

Deferred outflows of resources related to:

Pensions 4,210,979  
OPEB 784,009

Long-term liabilities are not due and payable in the current  
period and are not reported in the funds.

Bonds payable (5,050,000) [THIS PAGE INTENTIONALLY LEFT BLANK]  
Amortized premiums (101,833)  
Compensated absences (410,467)

Net pension liability (16,244,868)

Net OPEB asset 2,829,640

Accrued interest on long-term debt is not included as a liability in  
governmental funds; it is recorded when paid. (43,458)

Deferred interest charges from bond refunding are not capitalized in the  
governmental funds. 95,750

Deferred inflows of resources related to:

Pensions (4,618,039)  
State aid funding for pension (713,609)  
OPEB (3,679,646)

**Total Net Position - Governmental Activities** \$ 7,685,993

*The Notes to Financial Statements are an integral part of this statement.*

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2025

	General Fund	Recreation Fund	Debt Service Funds	Sinking Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 12,273,150	\$ 871,160	\$ 1,533,241	\$ 871,150	\$ -	\$ 15,548,701
Local sources	140,165	57,445	-	-	298,244	495,854
State sources	3,966,336	1,179	2,854	332	219,316	4,190,017
Federal sources	210,554	-	191,257	-	364,182	765,993
Intermediate sources	515,845	-	-	-	-	515,845
Interest	404,023	92,052	56,671	157,733	-	710,479
Total Revenues	\$ 17,510,073	\$ 1,021,836	\$ 1,784,023	\$ 1,029,215	\$ 881,742	\$ 22,226,889
<b>Expenditures</b>						
Instruction	\$ 9,378,276	\$ -	\$ -	\$ -	\$ -	\$ 9,378,276
Support services	6,480,483	-	-	-	-	6,480,483
Food service	-	-	-	-	718,297	718,297
Student activities	-	-	-	-	210,600	210,600
Recreation	-	508,517	-	-	-	508,517
Debt service						
Principal	-	-	2,055,000	-	-	2,055,000
Interest	-	-	387,149	-	-	387,149
Intergovernmental payments	14,691	-	-	-	-	14,691
Capital outlay	-	-	-	401,789	-	401,789
Total Expenditures	\$ 15,873,450	\$ 508,517	\$ 2,442,149	\$ 401,789	\$ 928,897	\$ 20,154,802
<b>Net Change in Fund Balances</b>	\$ 1,636,623	\$ 513,319	\$ (658,126)	\$ 627,426	\$ (47,155)	\$ 2,072,087
<b>Fund Balances - Beginning of year</b>	5,204,624	1,682,021	867,732	2,876,144	461,245	11,091,766
<b>Fund Balances - End of year</b>	\$ 6,841,247	\$ 2,195,340	\$ 209,606	\$ 3,503,570	\$ 414,090	\$ 13,163,853

*The Notes to Financial Statements are an integral part of this statement.*

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**BRIDGMAN PUBLIC SCHOOL DISTRICT**

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2025

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 2,072,087
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures; in the Statement of Activities, these costs are allocated over their estimated useful lives as depreciation.	
Depreciation expense	(885,940)
Capital additions	382,493
Loss of disposal of capital assets, net	(28,339)
Federal receivable for interest subsidy related to the 2010 QSCB bond issuance that will be received after 60 days but earned for full accrual by year-end.	(10,446)
Repayment of bond principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.	2,055,000
Change in benefit expense related to pension	984,141
Change in benefit expense related to OPEB	1,055,869
Amortization expense for bond premium	12,730
Current year use of deferred interest charges associated with the issuance of the 2015 refunding bonds	(11,969)
Accrued interest on bonds is recorded in the Statement of Activities when incurred; it is not reported in governmental funds until paid.	18,492
Change in the liability for compensated absences	<u>26,016</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 5,670,134</u></u>

*The Notes to Financial Statements are an integral part of this statement.*

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2025

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****REPORTING ENTITY**

Bridgman Public School District (the "District") is governed by the Board of Education (the "Board"). The Board is the basic level of government which has oversight responsibility and control over all activities related to the public school education in the area comprised by the District. The Board receives funding from state and federal governmental sources and must comply with the concomitant requirements of these funding sources entities. However, the Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB") since Board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, under the criteria of the GASB, student, parent, and teacher organizations are not included, except to the extent that the District holds assets in the capacity of an agent.

**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 primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the District's activities are considered governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

Government-Wide 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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fund Based Statements - The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and severance pay, are recorded only when payment is due.

Property taxes, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

**The District reports the following Major Governmental Funds:**

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

The **Recreation Fund** is a fund that accounts for the income and expenditures from activities related to pool and recreation.

**Debt Service Funds** is the fund that accounts for the accumulation of resources for, and the payments of, the long-term debt principal, interest, and other related costs of the 2010 QSCB bond and 2015 Refunding Bonds issued.

The **Sinking Fund** is used to account for financial resources that are restricted for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The fund has complied with the applicable provisions of Section 1212 of the Revised School Code and the State of Michigan of Treasury Letter No. 2023-1.

**The District reports the following Nonmajor Governmental Funds:**

**Special Revenue Funds** account for revenue sources that are legally restricted or committed to expenditures for specific purposes (not including expendable trusts or major capital projects). The District maintains full control of these funds. The nonmajor special revenue funds maintained by the District are the Food Services and Student Activity Funds.

**Basis of Accounting** - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrual** - 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.

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

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

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

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

**Budgets and Budgetary Accounting** - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and Michigan State law ("State") for the General Fund and major special revenue funds. All annual appropriations lapse at fiscal year-end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e. the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the District to have its budget in place by July 1. Expenditures in excess of amounts budgeted is a violation of State Law. State law permits districts to amend its budgets during the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year-end; the commitments will be re-appropriated and honored during the subsequent year.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents** -- Cash and cash equivalents include cash on hand, demand deposits, certificate of deposits, and short-term investments with a maturity of three months or less when acquired.

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

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

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

**Inventory** – The inventory is valued at cost on a first-in, first-out (“FIFO”) basis. The cost of such inventories is record as expenditures/expenses when consumed rather than purchased.

**Prepaid Items** - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both district-wide and fund financial statements.

**Capital Assets** – Capital assets, which include land, buildings, equipment, and vehicles are reported in the applicable governmental column in the District-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Right-of-use assets of the District are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extended asset life are not capitalized. The District does not have infrastructure type assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20 - 50 years
Buses and other vehicles	5 - 10 years
Furniture and other equipment	5 - 20 years
Land Improvements	10 - 20 years

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Deferred Outflows 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/expenditure) until then. The District has three items that qualify for reporting in this category. They are pension and other postemployment benefits related items, as well as deferred interest charges on bond issuance, reported in the Government-Wide Statement of Net Position. These amounts are expensed in the plan year in which they apply.

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

**Revenues and Expenditures/Expenses –**

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

**Property Taxes** - Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied and become a lien as of July 1 and 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 dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity. For the year ended June 30, 2025, the District levied the following mills: General Fund 8.376 mills, Debt Service Funds .880 mills, Sinking Fund .500 mills, and Recreation Fund .500 mills.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Long-term Obligations** - In the Government-Wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method over the term of the related debt. Bond issuance costs are reported as expenditures in the year in which they are incurred.

**Leases and Subscription Based IT Arrangements (“SBITA”)** – As of June 30, 2025, the District had no material lease/SBITA liabilities or assets. The District recognizes lease/SBITA liabilities with an initial, individual value of \$25,000 or more.

**Fund Equity** – In accordance with the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District reports fund balance using the following classifications: non-spendable, restricted, committed, assigned, and unassigned.

The following are the District’s fund balance classifications:

**Non-spendable Fund Balance** – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted Fund Balance** – includes amounts that can be spent only for specific purposes stipulated by what the external resource provides (for example grant providers, constitutionally, or through enabling legislation). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

**Committed Fund Balance** – includes amounts that can be used only for specific purposes determined by a formal action of the government’s highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed constraint originally.

**Assigned Fund Balance** – includes amounts that are constrained by the government’s intent to be used for a specific purpose but are neither restricted nor committed.

**Unassigned Fund Balance** – is the residual classification for General Fund. This classification represents governmental fund balances that have not been assigned to other funds or restricted, committed, or assigned to specific purposes within the respective governmental fund balances.

**Fund Deficit** – Under State Law, school districts are required to maintain positive fund balance in each fund. As of June 30, 2025, the District had no fund balances that were in deficit.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)**

**Fund Equity Flow Assumptions** - Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted fund balance to have been depleted before using any 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.

**Net Position Flow Assumption** – Sometimes the District will fund outlays for 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 District’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**NOTE 2. DEPOSITS AND INVESTMENTS**

As of June 30, 2025 the District had deposits and investments subject to the following risks:

**Custodial Credit Risk - Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. As of June 30, 2025, \$718,190 of the District’s bank balance of \$1,427,010 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was \$1,138,154.

**Custodial Credit Risk - Investments**

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities allowed by law and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

**NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

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

Type	Fair Value	Weighted Average Maturity (Years)
Michigan CLASS Investment Pool	\$ 12,239,916	0.0810

One day maturity equals 0.0027, one year equals 1.00.

**Concentration of Credit Risk**

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

Investment Type	Fair Value	Rating	Rating Agency
Michigan CLASS Investment Pool	\$ 12,239,916	AAAm	Standard & Poor's

**Foreign Currency Risk**

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

**NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)**

**Fair Value Measurement**

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

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District’s own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

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

**Investments in Entities that Calculate Net Asset Value per Share**

The District holds shares or interests in the Michigan CLASS investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invest in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated “A1” or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

At the year ended June 30, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Type	Fair Value	Unfunded Commitments	Redemption Frequently, if eligible	Redemption Notice Period
Michigan CLASS Investment Pool	\$ 12,239,916	\$ -	No restrictions	None

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 2. DEPOSITS AND INVESTMENTS (CONCLUDED)**

The deposits and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the financial statements, based upon criteria disclosed in Note 1.

The following summarizes the categorization of these amounts as of June 30, 2025:

	Primary Government
Cash and cash equivalents	\$ 1,138,154
Investments	12,239,916
	<u>\$ 13,378,070</u>

**NOTE 3. CAPITAL ASSETS**

A summary of changes in governmental capital assets follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Assets not being depreciated:				
Land	\$ 151,100	\$ -	\$ -	\$ 151,100
Subtotal	\$ 151,100	\$ -	\$ -	\$ 151,100
Capital assets being depreciated:				
Building and building improvements	\$ 29,556,305	\$ 113,575	\$ -	\$ 29,669,880
Land improvements	4,446,504	93,398	-	4,539,902
Buses and other vehicles	1,578,064	115,000	-	1,693,064
Furniture and equipment	3,704,563	60,520	(2,864,135)	900,948
Subtotal	\$ 39,285,436	\$ 382,493	\$ (2,864,135)	\$ 36,803,794
Accumulated depreciation:				
Building and building improvements	\$ 14,583,156	\$ 476,957	\$ -	\$ 15,060,113
Land improvements	2,349,220	230,490	-	2,579,710
Buses and other vehicles	1,370,086	46,957	-	1,417,043
Furniture and equipment	3,159,954	131,536	(2,835,796)	455,694
Subtotal	\$ 21,462,416	\$ 885,940	\$ (2,835,796)	\$ 19,512,560
Net capital assets being depreciated	\$ 17,823,020			\$ 17,291,234
Net capital assets	\$ 17,974,120			\$ 17,442,334

Depreciation for the fiscal year ended June 30, 2025 amounted to \$885,940. The District determine that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 4. LONG-TERM DEBT**

The District issues bonds to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith of the District. Long-term debt obligation activity can be summarized as follows:

	Beginning Balance (restated)	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
<i>General Obligations Bonds</i>					
Bonds	\$ 7,105,000	\$ -	\$ (2,055,000)	\$ 5,050,000	\$ 1,175,000
Premium	114,563	-	(12,730)	101,833	12,730
Total general obligation bonds	\$ 7,219,563	\$ -	\$ (2,067,730)	\$ 5,151,833	\$ 1,187,730
<i>Direct Borrowing and Direct Placement</i>					
Compensated absences*	\$ 436,483	\$ -	\$ (26,016)	\$ 410,467	\$ 41,047
Total governmental activities long-term debt	\$ 7,656,046	\$ -	\$ (2,093,746)	\$ 5,562,300	\$ 1,228,777

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

**Governmental Activities**

*General Obligation Bonds*

\$15,000,000 - 2010 School Building and Site Bonds, Series A, QSCB, (general obligation - unlimited tax); payable in installments of \$1,150,000 to \$1,175,000 beginning May 1, 2015 through May 1, 2027; interest from 3.8% to 6.5%.

\$ 2,350,000

\$3,605,000 - 2015 Refunding Bonds (general obligation - unlimited tax); payable in installments of \$72,100 to \$594,200 beginning May 1, 2016 through May 1, 2035; interest at 4.0%.

2,700,000

Premium

101,833

Total General Obligation Bonds

\$ 5,151,833

*Direct Borrowing and Direct Placement*

Employee Compensated Absences

\$ 410,467

Total long-term debt

\$ 5,562,300

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 4. LONG-TERM DEBT (CONCLUDED)**

Long-term debt excluding compensated absences at June 30 is comprised of the following individual issues:

Year Ending June 30	General Obligation Bonds		Total
	Principal	Interest	
2026	\$ 1,175,000	\$ 296,950	\$ 1,471,950
2027	1,175,000	220,576	1,395,576
2028	450,000	144,200	594,200
2029	450,000	126,200	576,200
2030	450,000	108,200	558,200
2031-2035	1,350,000	216,600	1,566,600
Premium	101,833	-	101,833
	<u>\$ 5,151,833</u>	<u>\$ 1,112,726</u>	<u>\$ 6,264,559</u>

Interest expense of \$343,958, net of amortization, was not charged to activities as the District considers its debt and related assets to impact multiple activities and allocation was not practical. Future interest payments listed in the above schedules are presented gross and have not been offset by the interest subsidy anticipated to be received by the federal government for the Qualified School Construction Bonds.

**Defeased Debt** – During fiscal 2016, the District defeased \$3,675,000 of unlimited tax refunding bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future interest and principal payments totaling \$6,299,786. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District’s financial statements. As of June 30, 2025, the amount of defeased debt outstanding, but removed from the District’s financial statements, is \$3,675,000. The final payment date for the 2015 refunding bonds is May 1, 2035.

**NOTE 5. INTERFUND ACTIVITY**

The composition of interfund balances is as follows:

Due To/From Other Funds:		
Receivable Fund	Payable Fund	Amount
Food Service Fund	General Fund	\$ 3,290
Debt Service Fund - QSCB and 2015 Refunding Bonds	General Fund	786
Recreation Fund	General Fund	446
Sinking Fund	General Fund	446
		<u>4,968</u>

The General Fund owes the Food Service Fund for the allocation of at risk income to food services.

The General Fund owes the Debt Service Fund, Recreation Fund, and Sinking Fund for miscellaneous expenditures.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 6. CONTINGENT LIABILITIES**

**Grants** – In the normal course of operations, the district receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**NOTE 7. MICHIGAN PUBLIC SCHOOL EMPLOYEES’ RETIREMENT SYSTEM**

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

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

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

**Benefits Provided – Overall** - Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the plans offered by MPERS is as follows:

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

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

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

## NOTE 7. MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

**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 ("MPERS") who became a member of MPERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution ("DC") tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

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

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

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

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

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

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

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

## NOTE 7. MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

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

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

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

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

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

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

**NOTE 7. MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

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

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

**Regular Retirement (no reduction factor for age) - Eligibility** - A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan ("MIP") members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through their 60<sup>th</sup> birthday and has credited service in each of the last 5 years. For Pension Plus Plan ("PPP") members, age 60 with 10 years of credited service.

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

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

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

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

Pension and OPEB contributions made in the fiscal year ending September 30, 2024 were determined as of the September 30, 2021 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2021 are amortized over a 16-year period beginning October 1, 2023 and ending September 30, 2038.

**NOTE 7. MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

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

	<u>Pension</u>	<u>Other Postemployment Benefits</u>
October 1, 2024 - September 30, 2025	20.96% - 30.11%	0.00% - 1.25%
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%

The District's pension contributions for the year ended June 30, 2025 was equal to the required contribution total. Total pension contributions were approximately \$2,862,000. Of the total pension contributions, approximately \$2,804,000 was contributed to fund the Defined Benefit Plan and approximately \$58,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2025 was equal to the required contribution total. Total OPEB contributions were approximately \$78,000. Of the total OPEB contributions, approximately \$39,000 was contributed to fund the Defined Benefit Plan and approximately \$39,000 was contributed to fund the Defined Contribution Plan.

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

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

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

<u>MPSERS (Plan) Non-university employers</u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Total pension liability	\$ 95,765,499,515	\$ 94,947,828,557
Plan fiduciary net position	71,283,482,728	62,581,762,238
Net pension liability	24,482,016,787	32,366,066,319
Proportionate share	0.06635%	0.06566%
Net pension liability for the District	16,244,868	21,252,258

For the year ended June 30, 2025, the District recognized pension expense of \$1,650,312.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 7. MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 440,735	\$ 176,503
Changes of assumptions	1,693,624	1,190,235
Net difference between projected and actual earnings on pension plan investments	-	3,100,209
Changes in proportion and differences between District contributions and proportionate share of contributions	267,353	151,092
District contributions subsequent to the measurement date*	<u>1,809,267</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 4,210,979</u></b>	<b><u>\$ 4,618,039</u></b>

\*\$1,809,267, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

<u>Year Ending</u>	<u>Amount</u>
2025	\$ (416,782)
2026	118,072
2027	(1,126,232)
2028	(791,385)
	<u>\$ (2,216,327)</u>

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

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

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 7. MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

**MPSERS (Plan) Non-university employers**      **September 30, 2024**      **September 30, 2023**

Total other postemployment benefits liability	\$ 9,991,545,923	\$ 11,223,648,949
Plan fiduciary net position	14,295,943,589	11,789,347,341
Net other post employment benefits liability (asset)	(4,304,397,666)	(565,698,392)
Proportionate share	0.06574%	0.06615%
Net other postemployment benefits liability (asset) for the District	(2,829,640)	(374,209)

For the year ended June 30, 2025, the District recognized OPEB benefit of \$849,066.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,998,555
Change of assumptions	618,034	71,038
Net difference between projected and actual earnings on OPEB investments	-	535,683
Changes in proportion and differences between District contributions and proportionate share of contributions	127,314	74,370
District contributions subsequent to the measurement date*	<u>38,661</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 784,009</u></b>	<b><u>\$ 3,679,646</u></b>

\*\$38,661 reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the subsequent fiscal year.

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

<u>Year Ending</u>	<u>Amount</u>
2025	\$ (927,090)
2026	(570,551)
2027	(581,111)
2028	(518,717)
2029	(282,484)
Thereafter	(54,345)
	<u>\$ (2,934,298)</u>

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 7. MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

**Actuarial Assumptions**

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

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

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

**Inflation** - 3.0%.

**Mortality Assumptions:**

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

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

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

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

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

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

**Healthcare Cost Trend Rate for Other Postemployment Benefit** - Pre 65, 7.25% for year one and graded to 3.5% in year fifteen. Post 65, 6.25% for year one and graded to 3.5% in year fifteen.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 7. MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

**Additional Assumptions for Other Postemployment Benefit Only** - Applies to individuals hired before September 4, 2012:

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

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

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

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.3%
International Equity Pools	15.0%	6.5%
Private Equity Pools	16.0%	9.0%
Real Estate and Infrastructure Pools	10.0%	7.1%
Fixed Income Pools	13.0%	2.2%
Absolute Return Pools	9.0%	5.2%
Real Return / Opportunistic Pools	10.0%	7.3%
Short-Term Investment Pools	2.0%	1.4%
<b>TOTAL</b>	<b>100.0%</b>	

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

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

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

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 7. MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

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

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

1% Decrease	Current Single Discount Rate Assumption	1% Increase
\$ 23,815,152	\$ 16,244,868	\$ 9,941,151

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

1% Decrease	Current Discount Rate	1% Increase
\$ (2,186,769)	\$ (2,829,640)	\$ (3,385,470)

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ (3,385,476)	\$ (2,829,640)	\$ (2,233,509)

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

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 7. MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CONCLUDED)**

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

**NOTE 8. UNEARNED REVENUE**

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

Description of Unearned Revenue	Unearned
31a At Risk	\$ 59,254
31aa Mental health	90,218
35j Literacy PD	9,540
67f FAFSA	1,025
147g MPSERS EMP Healthcare	18,744
Other amounts	2,731
Total	<u>\$ 181,512</u>

**NOTE 9. TAX ABATEMENT**

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by various municipalities within the District. 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. For the fiscal year ended June 30, 2025, the District's property tax revenues were decreased by approximately \$3,000 under these programs.

**NOTE 10. RISK MANAGEMENT**

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

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 11. OTHER BENEFITS**

In addition to the pension benefits described previously, the District also provides 403(b) tax deferred annuity plans. All employees are eligible to participate in the plans and are fully vested immediately for all contributions.

The District is also able to offer a tax deferred “buy-in” program for years of service for all eligible employees in the state-provided pension plan. The percentage rate for the employee’s contribution was calculated based on the previous year’s salary and age.

**NOTE 12. CALCULATION OF NET INVESTMENT IN CAPITAL ASSETS**

As of June 30, 2025, the calculation of the District’s net investment in capital assets in the Statement of Net Position consists of:

Capital Assets - nondepreciable	\$ 151,100
Capital Assets - depreciable, net	17,291,234
Less: long-term debt related to capital assets	(5,151,833)
Add: deferred interest charges from capital bond refunding	95,750
Net investment in capital assets	<u>\$ 12,386,251</u>

**NOTE 13. UPCOMING PRONOUNCEMENTS**

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

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

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 13. UPCOMING PRONOUNCEMENTS (CONCLUDED)**

- c) Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
  - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
  - ii. Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d) Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e) Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

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

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

**NOTE 14. CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. Summary: This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements.

As of July 1, 2024, the change in governmental net position as a result of the implementation of the accounting principle was a decrease in the amount of \$436,483 to a restated beginning governmental net position of \$2,015,859.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 15. SUMMARY OF FEDERAL REVENUES RECEIVED**

The District has received federal funds during the fiscal year but expended below the \$750,000 threshold as noted in the table below and for the purposes of the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), the District is not required to have a single for the year ended June 30, 2025.

Financial Statement Reporting Units:	
General Fund	\$ 210,554
Debt Service Fund - QSCB and 2015 Refunding Bond	191,257
Non-Major Fund - Food Services Fund	<u>364,182</u>
Total Federal Revenues reported in Financial Statement Audit	\$ 765,993
Less Federal Revenues that are excluded from Uniform Guidance consideration:	
Federal interest subsidy in debt service fund	<u>(191,257)</u>
Total Uniform Guidance regulated Federal Expenditures	<u>\$ 574,736</u>

**NOTE 16. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through October 8, 2025, the date the financial statements were available to be issued. No events or transactions occurred during this period which requires recognition or disclosures in the financial statements.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

REQUIRED SUPPLEMENTARY SCHEDULE  
BUDGETARY COMPARISON SCHEDULE — GENERAL FUND  
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance (Negative) Positive
<b>Revenues</b>				
Property taxes	\$ 12,268,393	\$ 12,274,827	\$ 12,273,150	\$ (1,677)
Local sources	135,253	317,802	140,165	(177,637)
State sources	3,346,164	3,738,914	3,966,336	227,422
Federal sources	191,256	208,668	210,554	1,886
Intermediate sources	140,000	515,844	515,845	1
Interest	300,013	397,150	404,023	6,873
Total Revenues	\$ 16,381,079	\$ 17,453,205	\$ 17,510,073	\$ 56,868
<b>Expenditures</b>				
Instruction				
Basic programs	\$ 7,465,812	\$ 7,530,871	\$ 7,619,210	\$ (88,339)
Added needs	2,465,861	1,967,688	1,668,918	298,770
Adult and continuing education	29,590	27,550	90,148	(62,598)
Supporting services				
Pupil	977,958	902,417	1,414,556	(512,139)
Instructional staff	676,700	704,088	301,587	402,501
General administration	666,907	547,565	596,073	(48,508)
School administration	882,507	834,299	855,084	(20,785)
Business services	579,401	608,959	454,130	154,829
Athletics	556,599	503,752	504,832	(1,080)
Operations and maintenance	1,748,390	1,853,519	1,853,295	224
Transportation	414,579	504,200	500,926	3,274
Intergovernmental payments	10,136	15,862	14,691	1,171
Total Expenditures	\$ 16,474,440	\$ 16,000,770	\$ 15,873,450	\$ 127,320
<b>Net Change in Fund Balances</b>	\$ (93,361)	\$ 1,452,435	\$ 1,636,623	\$ 184,188
<b>Fund Balances - Beginning of year</b>	5,204,624	5,204,624	5,204,624	
<b>Fund Balances - End of year</b>	\$ 5,111,263	\$ 6,657,059	\$ 6,841,247	

The Notes to Required Supplementary Information are an integral part of this statement.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

REQUIRED SUPPLEMENTARY SCHEDULE  
BUDGETARY COMPARISON SCHEDULE — RECREATION FUND  
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance (Negative) Positive
<b>Revenues</b>				
Property taxes	\$ 831,473	\$ 870,709	\$ 871,160	\$ 451
Local sources	22,000	55,375	57,445	2,070
State sources	-	1,178	1,179	1
Interest	50,000	90,042	92,052	2,010
Total Revenues	\$ 903,473	\$ 1,017,304	\$ 1,021,836	\$ 4,532
<b>Expenditures</b>				
Recreation	\$ 760,132	\$ 512,979	\$ 508,517	\$ 4,462
Total Expenditures	\$ 760,132	\$ 512,979	\$ 508,517	\$ 4,462
<b>Net Change in Fund Balances</b>	\$ 143,341	\$ 504,325	\$ 513,319	\$ 8,994
<b>Fund Balances - Beginning of year</b>	1,682,021	1,682,021	1,682,021	
<b>Fund Balances - End of year</b>	\$ 1,825,362	\$ 2,186,346	\$ 2,195,340	

The Notes to Required Supplementary Information are an integral part of this statement.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 AMOUNTS WERE DETERMINED AS OF THE PLAN YEAR ENDED SEPTEMBER 30TH

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of net pension liability	0.06635%	0.06566%	0.06582%	0.06531%	0.06338%	0.06071%	0.05894%	0.05843%	0.05656%	0.05652%
District's proportionate share of net pension liability	\$ 16,244,868	\$ 21,252,258	\$ 24,755,733	\$ 15,461,903	\$ 21,772,416	\$ 20,104,031	\$ 17,717,731	\$ 15,144,001	\$ 14,111,958	\$ 13,804,730
District's covered-employee payroll	\$ 6,817,491	\$ 6,542,089	\$ 6,224,279	\$ 5,920,882	\$ 5,652,652	\$ 5,396,425	\$ 4,996,976	\$ 4,961,329	\$ 4,770,734	\$ 4,874,967
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	238.28%	324.85%	397.73%	261.14%	385.17%	372.54%	354.57%	305.24%	295.80%	283.18%
Plan fiduciary net position as a percentage of total pension liability	74.44%	65.91%	60.77%	72.60%	59.49%	60.08%	62.12%	63.96%	63.01%	62.92%

*The Notes to Required Supplementary Information are an integral part of this statement.*

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS  
 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 AMOUNTS WERE DETERMINED AS OF THE YEAR ENDED JUNE 30TH

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	\$ 2,774,175	\$ 2,812,544	\$ 3,036,263	\$ 2,197,887	\$ 1,915,373	\$ 1,728,806	\$ 1,602,852	\$ 1,498,981	\$ 1,396,936	\$ 1,314,076
Contributions in relation to statutorily required contributions	2,774,175	2,812,544	3,036,263	2,197,887	1,915,373	1,728,806	1,602,852	1,498,981	1,396,936	1,314,076
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,782,458	\$ 6,804,041	\$ 6,398,636	\$ 5,975,905	\$ 5,862,095	\$ 5,603,177	\$ 5,334,809	\$ 4,935,377	\$ 5,098,838	\$ 4,896,859
Contributions as a percentage of covered-employee payroll	40.90%	41.34%	47.45%	36.78%	32.67%	30.85%	30.05%	30.37%	27.40%	26.84%

*The Notes to Required Supplementary Information are an integral part of this statement.*

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET OPEB LIABILITY (ASSET)  
 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 AMOUNTS WERE DETERMINED AS OF THE PLAN YEAR ENDED SEPTEMBER 30TH

	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of net OPEB liability (asset)	0.06574%	0.06615%	0.06467%	0.06590%	0.06397%	0.06184%	0.05875%	0.05824%
District's proportionate share of net OPEB liability (asset)	\$ (2,829,640)	\$ (374,199)	\$ 1,369,703	\$ 1,005,939	\$ 3,427,273	\$ 4,438,378	\$ 4,669,877	\$ 5,157,688
District's covered-employee payroll	\$ 6,817,491	\$ 6,542,089	\$ 6,224,279	\$ 5,920,882	\$ 5,396,425	\$ 5,396,425	\$ 4,996,976	\$ 4,961,329
District's proportionate share of net OPEB liability (asset) as a percentage of its covered-employee payroll	-41.51%	-5.72%	22.01%	16.99%	63.51%	82.25%	93.45%	103.96%
Plan fiduciary net position as a percentage of total OPEB liability (asset)	143.08%	105.04%	83.09%	87.33%	59.76%	48.67%	43.10%	36.53%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District presents information for those years for which information is available.

*The Notes to Required Supplementary Information are an integral part of this statement.*

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**BRIDGMAN PUBLIC SCHOOL DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS  
 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 AMOUNTS WERE DETERMINED AS OF THE YEAR ENDED JUNE 30TH

	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	\$ 546,421	\$ 547,136	\$ 519,044	\$ 467,563	\$ 462,725	\$ 437,152	\$ 414,699	\$ 352,970
Contributions in relation to statutorily required contributions	546,421	547,136	519,044	467,563	462,725	437,152	414,699	352,970
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,782,458	\$ 6,804,041	\$ 6,398,636	\$ 5,975,905	\$ 5,862,095	\$ 5,603,177	\$ 5,334,809	\$ 4,935,377
Contributions as a percentage of covered-employee payroll	8.06%	8.04%	8.11%	7.82%	7.89%	7.80%	7.77%	7.15%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District presents information for those years for which information is available.

*The Notes to Required Supplementary Information are an integral part of this statement.*

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**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2025

**NOTE 1. PENSION INFORMATION**

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

Changes of assumptions – the assumption changes for 2024 were:

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

**NOTE 2. OPEB INFORMATION**

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

Changes of assumptions – there were no changes of benefit assumptions for each of the reported plan years ended September 30 except for the following:

- 2024 – The health care cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage point for members over 65.
- 2023 - The health care cost trend rate used in the September 30, 2022 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.

**BRIDGMAN PUBLIC SCHOOL DISTRICT**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2025

**NOTE 2. OPEB INFORMATION (CONCLUDED)**

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

**NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Excess of Expenditures Over Appropriations in Budgeted Funds — See Budgetary Comparison Schedule for budget variances as they apply to the District.

**APPENDIX D**  
**FORM OF LEGAL OPINION**

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# THRUN LAW FIRM, P.C.

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## DRAFT LEGAL OPINION

Bridgman Public School District  
County of Berrien  
State of Michigan

We have acted as bond counsel in connection with the issuance by Bridgman Public School District, County of Berrien, State of Michigan (the “Issuer”), of its bonds in the aggregate principal amount of \$\_\_\_\_\_ designated 2026 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax) (the “Bonds”). The Bonds are in fully registered form and issued without coupons, are dated \_\_\_\_\_, 2026, are of \$5,000 denomination or any integral multiple thereof, are subject to redemption prior to maturity at the option of the Issuer in the manner and at the times as set forth in the Bonds, mature on May 1 of the years shown below, 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;



Bridgman Public School District  
County of Berrien  
State of Michigan

\_\_\_\_\_, 2026

Page 2

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

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

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

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

THRUN LAW FIRM, P.C.

TLF/MDG

**APPENDIX E**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

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**FORM OF  
CONTINUING DISCLOSURE AGREEMENT**

§ \_\_\_\_\_

**BRIDGMAN PUBLIC SCHOOL DISTRICT  
COUNTY OF BERRIEN  
STATE OF MICHIGAN  
2026 SCHOOL BUILDING AND SITE BONDS, SERIES I  
(GENERAL OBLIGATION - UNLIMITED TAX)**

This Continuing Disclosure Agreement (the “Agreement”) is executed and delivered by Bridgman Public School District, County of Berrien, State of Michigan (the “Issuer”), in connection with the issuance of its \$ \_\_\_\_\_ 2026 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax) (the “Bonds”). The Bonds are being issued pursuant to resolutions adopted by the Board of Education of the Issuer on May 11, 2026 and \_\_\_\_\_, 2026 (together, the “Resolution”). The Issuer covenants and agrees as follows:

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

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

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

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

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

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

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



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

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

“MSRB” shall mean the Municipal Securities Rulemaking Board.

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

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

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

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

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

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of Michigan.

### SECTION 3. Provision of Annual Reports.

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

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

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

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

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

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

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

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

SECTION 5. Reporting of Significant Events.

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

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

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

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

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

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

(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.

BRIDGMAN PUBLIC SCHOOL DISTRICT  
COUNTY OF BERRIEN  
STATE OF MICHIGAN

By: \_\_\_\_\_  
Its: Superintendent

Dated: \_\_\_\_\_, 2026





## 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](http://www.msrb.org) or through the EMMA portal at [emma.msrb.org/submission/Submission\\_Portal.aspx](http://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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