Financial Forecast

BRIDGMAN PUBLIC SCHOOLS

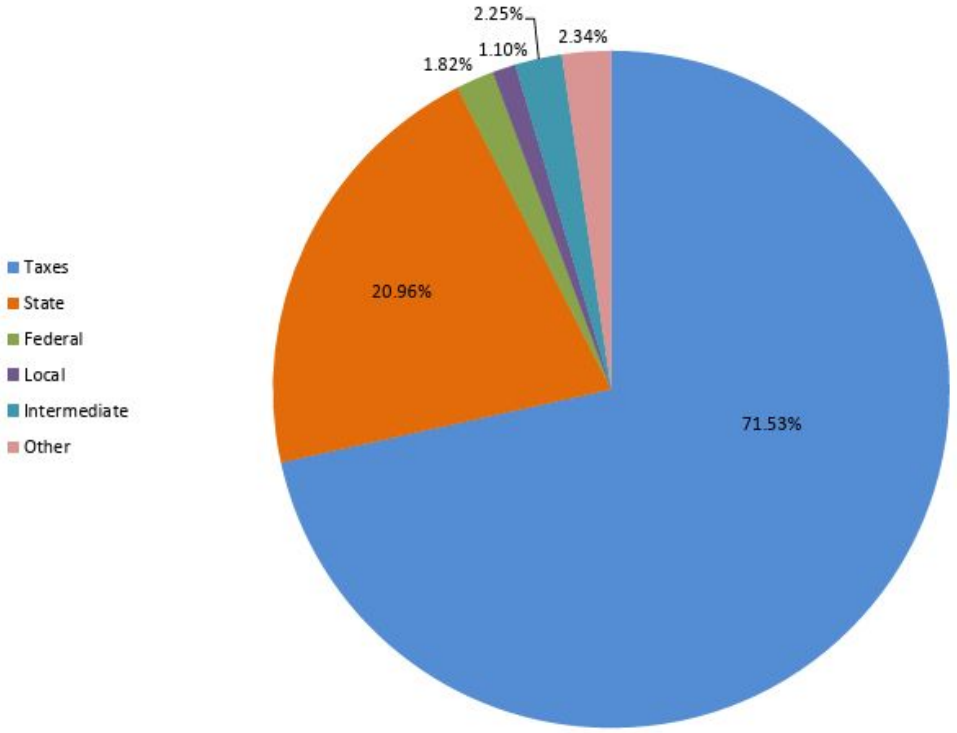


"The State passed a law which made it mandatory that our schools be re-organized so that all berrien County districts should be reduced to 14 high school areas. Of course I could not accept any concept that would eliminate the Bridgman High School and I worked for all my worth by interviewing members of that reorganization panel and persuading everyone on that I could that we should have our own district. Mr. Walter Williams was on the panel and he worked and voted to keep it here over the objection of Ben Nye of the Lakeshore district who wanted the Cook plant in his district. When it came time for Hathaway to vote I again went there and spoke and argued for it and as a result Hathaway voted to come to us, with a small portion in the Northeast corner which had traditionally sent their students to Stevensville. So for the present our district is the richest in the State with 75000 dollars in equalized valuation back of each student. River Rouge is second with $69000."

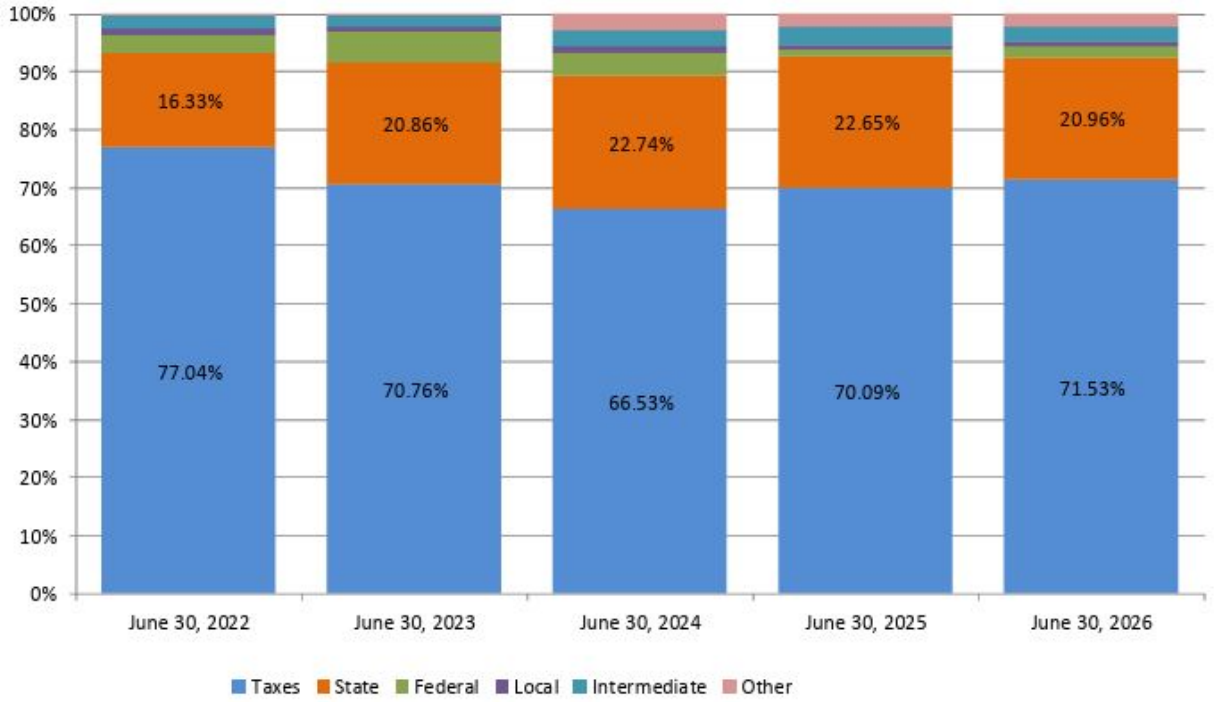
- **F.C. Reed, 1972. (describing the impact of Public Act 289 in 1964)**

Revenues

Revenue (2025-2026 School Year)



Revenue (Last Five Years)



Out of Formula

We raise enough local property tax revenue to exceed the state-guaranteed foundation allowance.

The current foundation allowance is $10,218.

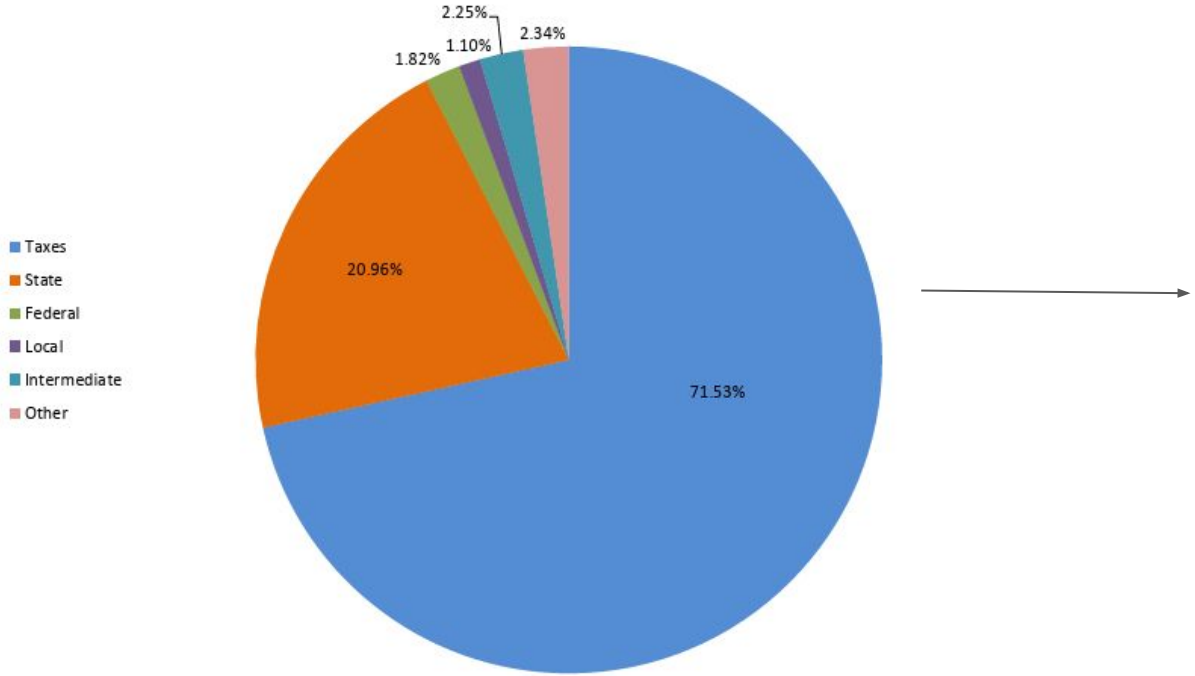
Our per-pupil estimate is $15,020.73.

Our current enrollment is 755.

Tipping Point: 32% reduction in local taxes, or enrollment of 1095.5 students.

Placeholder for Enrollment Trends

Local Revenue Breakdown



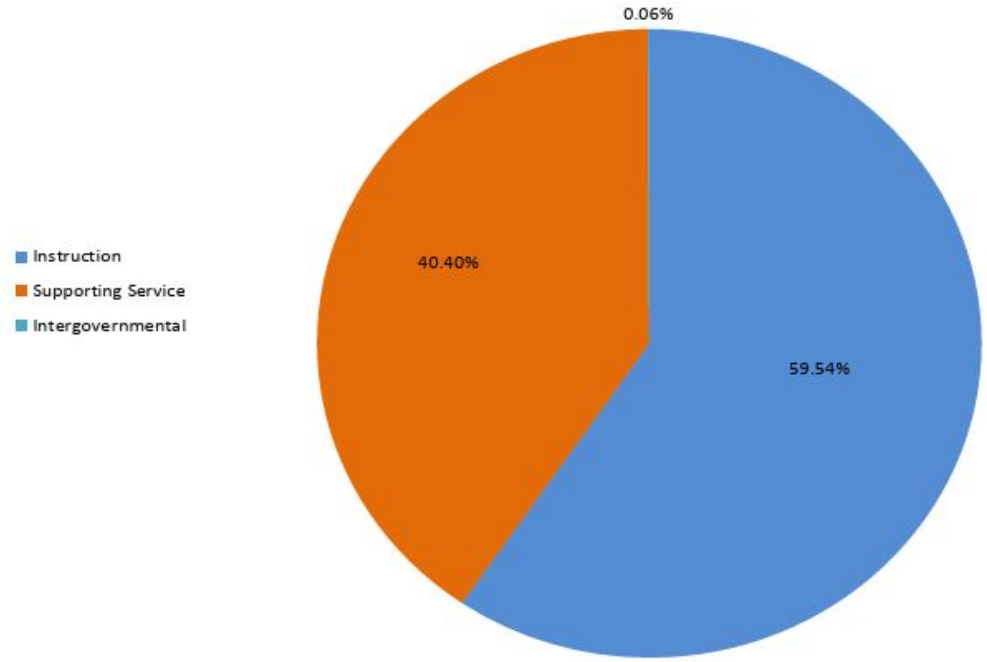
- 87.88% of Lake Charter Township taxes
- **64.18% of all revenue**

Proposal A

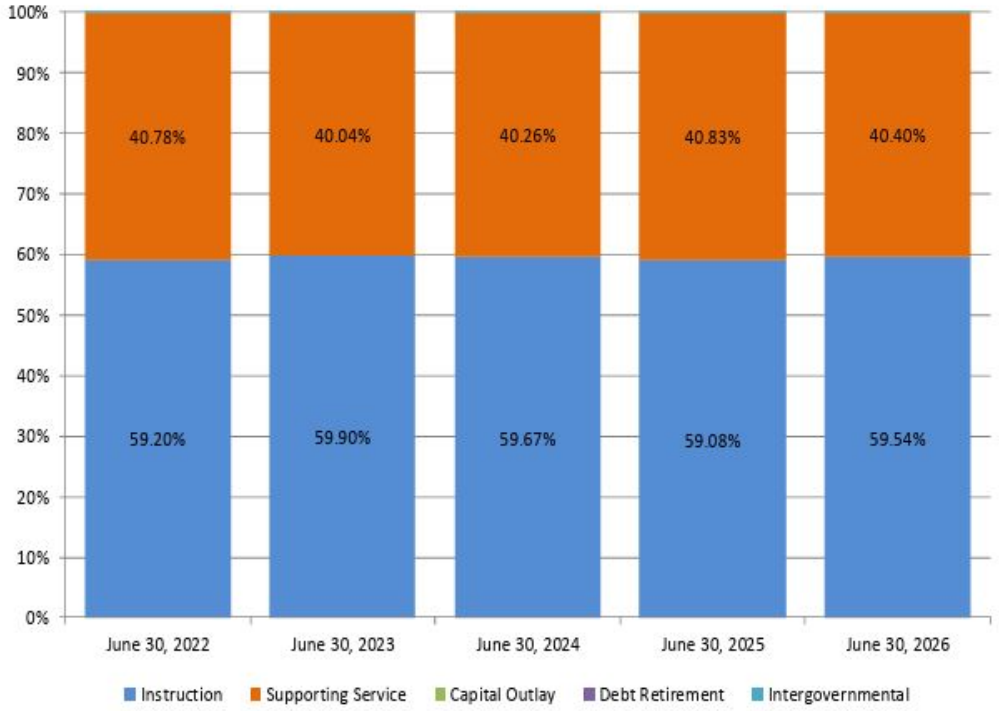
- To the best of our knowledge - we are the **only district in Michigan** that relies so heavily on one taxable entity for funding.
- Sec. 1211. (1) Except as otherwise provided in this section and section 1211c, the board of a school district should not levy more than 18 mills for school operating purposes or the number of mills levied in 1993 for school operating purposes, whichever is less.
- Our 1993 school operating millage rate: **8.376**
- As far back as 2004, schools in our situation have attempted to resolve this through legislative action.

Expenditures

Expenditures (2025-2026 School Year)



Expenditures (Past Five Years)

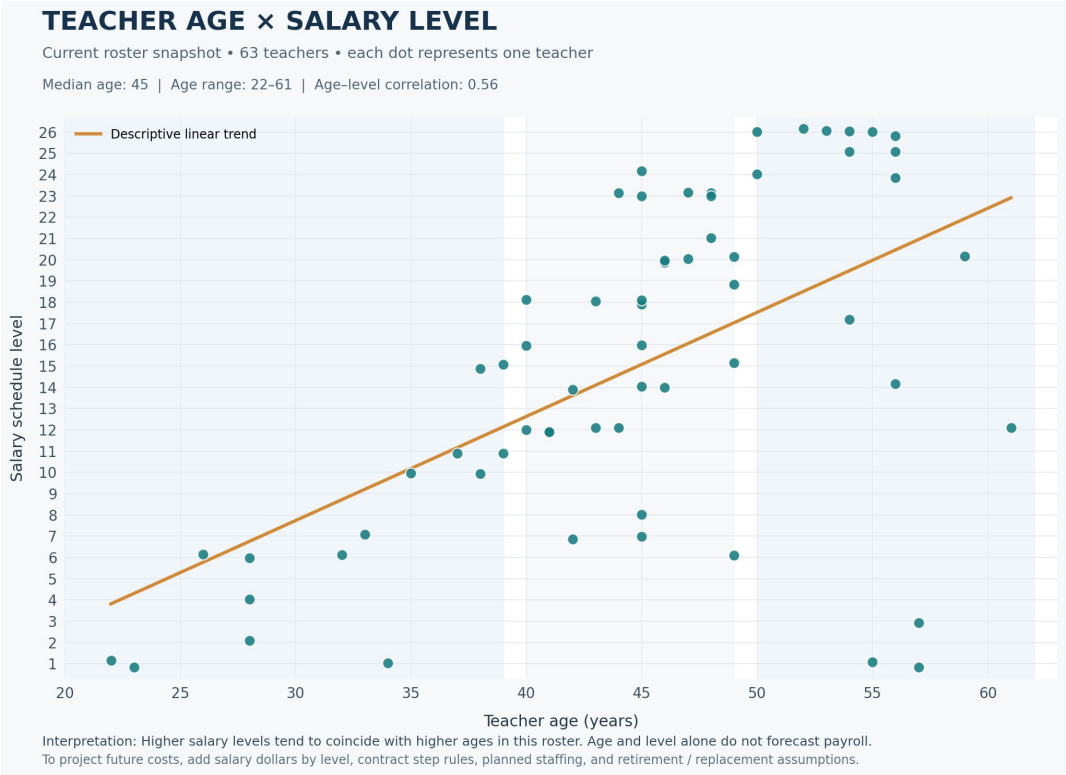


Expenditures (Teacher Salaries)

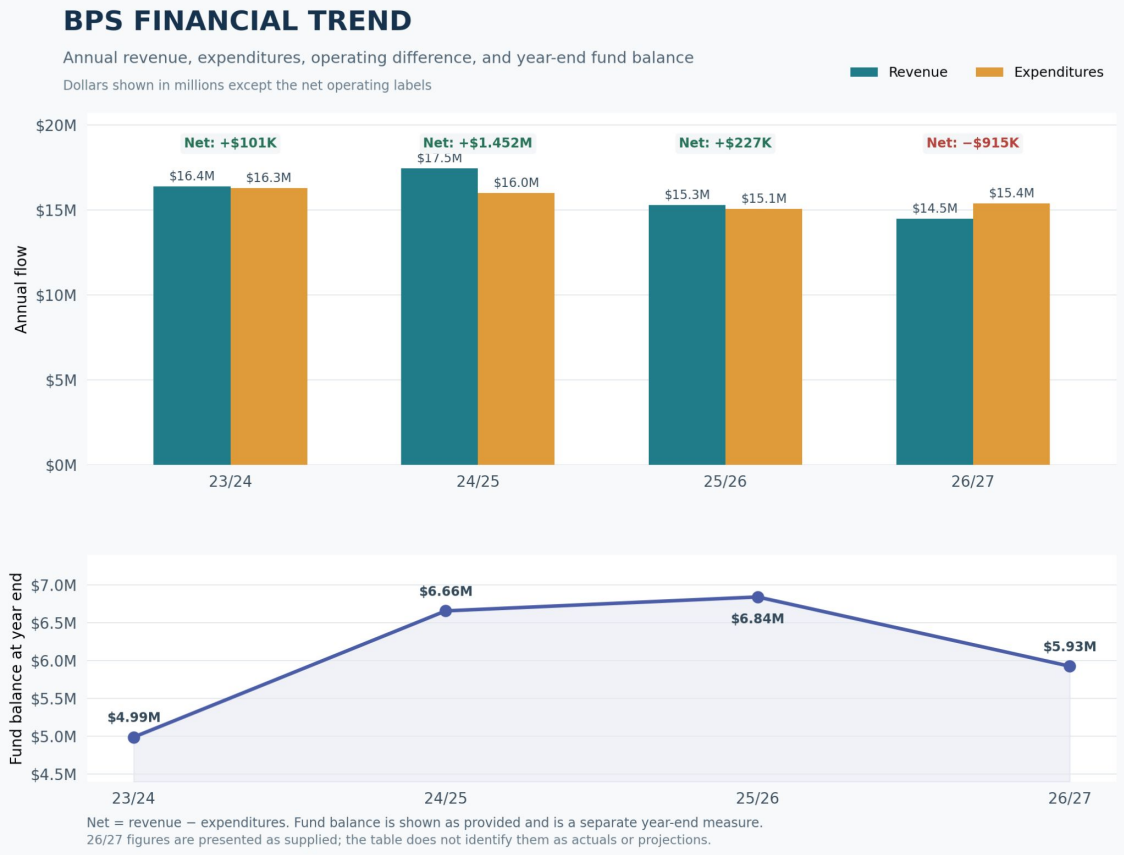
Level	2026-2027 2.25% Salary Levels
1	49,912
2	51,593
3	53,275
4	54,956
5	56,636
6	58,316
7	59,997
8	61,678
9	63,479
10	65,279
11	67,081
12	68,881
13	70,681
14	72,483
15	74,284
16	76,083
17	77,885
18	79,685
19	81,486
20	83,287
21	85,088
22	86,889
23	88,691
24	90,489
25	92,289
26	94,084

Level	2027-2028 2.25% Salary Levels
1	51,035
2	52,754
3	54,474
4	56,193
5	57,911
6	59,628
7	61,347
8	63,066
9	64,907
10	66,748
11	68,590
12	70,431
13	72,272
14	74,114
15	75,955
16	77,795
17	79,637
18	81,478
19	83,320
20	85,161
21	87,003
22	88,844
23	90,686
24	92,525
25	94,365
26	96,201
26a	98,051

Level	2028-2029 2.25% Salary Levels
1	52,184
2	53,941
3	55,700
4	57,457
5	59,214
6	60,970
7	62,727
8	64,485
9	66,368
10	68,250
11	70,134
12	72,015
13	73,898
14	75,781
15	77,664
16	79,545
17	81,429
18	83,312
19	85,194
20	87,077
21	88,960
22	90,843
23	92,727
24	94,607
25	96,489
26	98,365
26a	100,257
26b	102,107



Historical and Current Budgets





Tax Tribunal

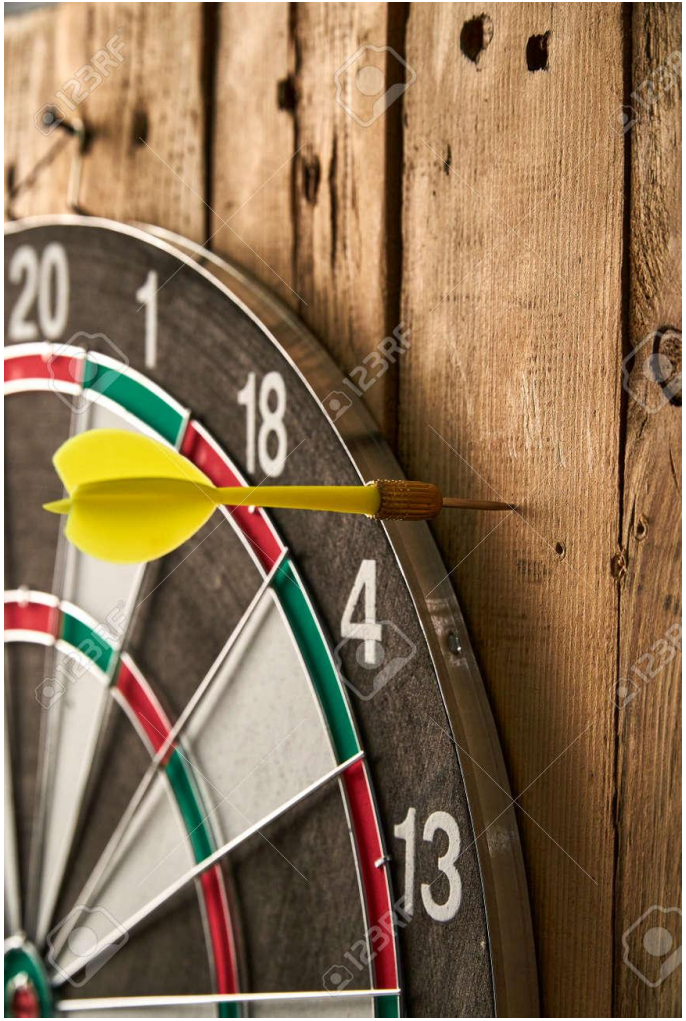
- In September of 2024 Lake Township and Indiana Michigan Power reached a settlement regarding a tax tribunal appeal that has had a direct impact on the District's Financial Outlook.

- Under the settlement, the taxable value of the D.C. Cook Plant reverted to the 2022 value of **$1,108,681,400** for the tax years of 2025, 2026, and 2027. This led to a reduction of **almost 1.3 million dollars** in revenue for the 2025 school year, and this loss carries over year to year.

- Beginning in 2028, the plant's taxable value is scheduled to increase by **5% annually** (from the 2022 value) through 2030.

$1,269,133 Loss In Revenue (25-26)

- **Teaching Staff**
  - 4 retirements and resignations were not replaced.
  - Three teachers were reduced from full-time status.
  - One counselor was laid off, and the position was adjusted to part-time.
- **Support Staff**
  - Four paraprofessionals were laid off.
- **Administration**
  - One administrative position was laid off and one position was reduced.
  - Our School Resource Officer contract with the city was not renewed.
- **Transportation**
  - One retirement was not replaced, and one employee was laid off.
  - Bus routes were reduced from 6 to 5.
- **Programs**
  - Deferred ELA curriculum adoption, deferred Chromebook replacement, EMC budget lowered, BOE salaries were eliminated, and multiple budgets were lowered.


20
1
18
4
13

2027 - 2030 Budgeting Assumptions

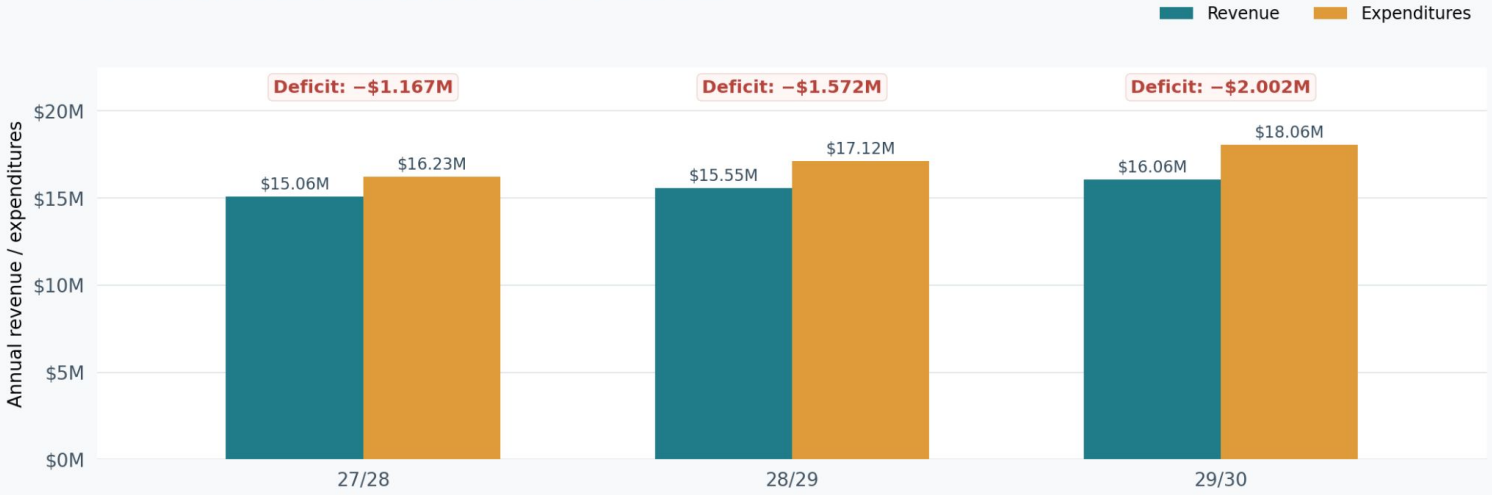
- All numbers moving forward are based on our most recent board approved budget (June of 2026)
- **5.5%** increase in instructional costs each year, with instructional costs remaining at **60%** of overall expenditures.
- Increase in local property taxes of **$130,000** a year (excluding AEP)
- **AEP value increasing 5% each year with compounding value**.
- State and Federal funding remaining the same.
- Continuing budgeting conservatively.

Nothing is ever as good or bad as it seems.

- *Morgan Housel, The Psychology of Money*

BPS PROJECTED BUDGETS

Revenue, expenditures, annual deficit, and ending fund balance





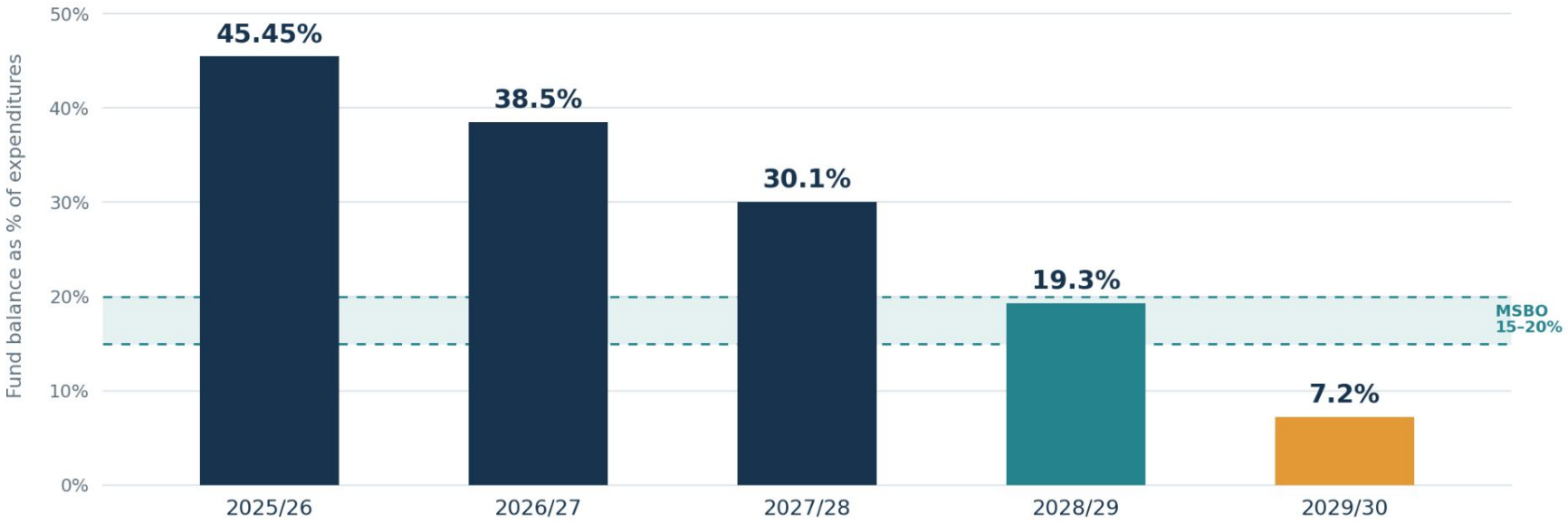
Projected figures shown as provided. Annual difference = revenue − expenditures.

BRIDGMAN PUBLIC SCHOOLS | FINANCIAL TREND

Falls below the MSBO reference range in 2029/30

Fund balance relative to expenditures

Year-end fund balance as a share of annual expenditures



Reference: Michigan School Business Officials (MSBO) recommends a 15–20% fund balance. This is guidance, not a state requirement.

2025/26 percentage supplied. 2026/27 and later percentages calculated from the supplied fund balance and expenditure amounts. Michigan Treasury's <5% reporting trigger uses unrestricted revenue, a separate measure.



D.C. COOK TAX TIMELINE

Tax payment and assessment milestones, 2025–2031

2025–2027	TAX	AEP pays tax at the agreed upon 2022 value.
2028	TAX	AEP pays tax at the agreed upon 2022 value + 5%.
2029	TAX	AEP pays tax at the agreed upon 2022 value + 10%.
2030	TAX	AEP pays tax at the agreed upon 2022 value + 15%.
2030	TAX	AEP begins initial conversations regarding assessments with major stakeholders and regulatory entities.
2031	TAX	AEP seeks valuation of Cook property and responds to the 2031 Township tax assessment as necessary.

Tax values and milestone wording are shown as provided.

POTENTIAL D.C. COOK TAXABLE VALUE IMPACT

Estimated annual revenue loss to Bridgman Public Schools under two reduction scenarios



Source figures supplied by BPS. Bars are scaled to the annual revenue loss shown.

