

PRELIMINARY OFFICIAL STATEMENT DATED JULY 1, 2026

NEW ISSUE – Book-Entry-Only

RATING†(1): S&P Global Ratings: AA-

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, assuming compliance with certain covenants by the School District, the interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds and interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See "TAX MATTERS" and "Appendix D: FORM OF APPROVING OPINION" herein for a description of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), which may affect the tax treatment of interest on the Bonds for certain Bondholders.



\$32,880,000*
BALDWIN COMMUNITY SCHOOLS
COUNTIES OF LAKE AND NEWAYGO, STATE OF MICHIGAN
2026 SCHOOL BUILDING AND SITE BONDS
(Unlimited Tax General Obligation)

Dated: Date of Delivery

Due: May 1, as shown below

On November 5, 2024, the qualified electors of Baldwin Community Schools, Counties of Lake and Newaygo, State of Michigan (the "School District") approved the issuance of bonds of the School District in the amount of not to exceed \$48,800,000 to be issued in one or more series. Proceeds of the 2026 School Building and Site Bonds (Unlimited Tax General Obligation) (the "Bonds") in the principal amount of \$32,880,000* will constitute the second and final series of bonds under the 2024 voted authorization and will be used for school building and site purposes. The Bonds were authorized by the Board of Education of the School District by a resolution adopted on May 19, 2026 (the "Resolution"). 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 "Transfer 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 each May 1 and November 1, commencing May 1, 2027, 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\$: 058138)

Table with 10 columns: Maturity May 1*, Amount*, Interest Rate, Yield, CUSIP\$, Maturity May 1*, Amount*, Interest Rate, Yield, CUSIP\$. Rows list maturities from 2028 to 2039 and corresponding amounts and CUSIPs.

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 Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by Varnum LLP, Grand Rapids, Michigan. It is expected that the Bonds will be available for delivery through DTC on or about August __, 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.

RAYMOND JAMES®

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

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

(1) As of the date of delivery.

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* Preliminary, subject to change.

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 responsibilities 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.

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OFFICIAL STATEMENT
relating to
\$32,880,000*
BALDWIN COMMUNITY SCHOOLS
COUNTIES OF LAKE AND NEWAYGO, STATE OF MICHIGAN
2026 SCHOOL BUILDING AND SITE BONDS
(Unlimited Tax General Obligation)

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 Baldwin Community Schools, Counties of Lake and Newaygo, State of Michigan (the “School District”) of its 2026 School Building and Site Bonds (Unlimited Tax General Obligation) (the “Bonds”) in the principal amount of \$32,880,000*.

PURPOSE AND SECURITY

On November 5, 2024, the qualified electors of the School District approved a proposal authorizing the issuance of bonds in an aggregate amount of not to exceed \$48,800,000 to be issued in one or more series. The proceeds of the Bonds in the principal amount of \$32,880,000*, representing the second and final series of bonds, are being issued for the purpose of financing a portion of (i) making school safety and security improvements, including additional secure entryways, upgrading security cameras and new locks and doors; installing new fire suppression systems and fire alarms; replacing leaking roofs, plumbing, flooring and ceilings; removing asbestos in district buildings and improving ventilation systems; acquiring and installing instructional technology infrastructure and equipment in school buildings; remodeling, equipping, and furnishing school buildings and other facilities; constructing, equipping, and furnishing additions to the High School and Middle School building; and preparing, developing and improving sites at school buildings and other facilities (the “Project”); and (ii) paying the costs of issuing the Bonds.

The Bonds, as authorized for issuance by resolution of the Board of Education of the School District adopted on May 19, 2026 (the “Resolution”), 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.

*Preliminary, subject to change.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES

Par Amount of the Bonds	
Original Issue Premium.....	
Total Sources.....	

USES

Deposit to Capital Projects Fund.....	
Deposit to Debt Retirement Fund for Capitalized Interest.....	
Underwriter's Discount	
Estimated Costs of Issuance	
Total Uses.....	

THE BONDS

Description and Form of the Bonds

The Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated as of and bear interest from the date of issuance. Interest on the Bonds shall be payable semiannually each May 1 and November 1, commencing May 1, 2027. 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, or its successor, will serve as the transfer agent (the "Transfer Agent") and also as bond registrar and transfer agent if the Bonds cease to be held in book-entry-only form. Interest on the Bonds shall be payable when due by check or draft to the person or entity who or which is, as of the fifteenth (15th) day of the month preceding each interest payment date, the registered owner of record, at the owner's registered address. For a description of payment of principal and interest, transfers, exchanges and notice of redemption 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 Transfer Agent or the Underwriter, as defined herein, 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 Transfer 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 Transfer 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 (the "Exchange Act"). 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 S&P Global Ratings ("S&P") rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC 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 the 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 Bonds 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 the Transfer 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, the Transfer 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 Transfer 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 Transfer Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered to DTC.

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 to DTC.

Transfer Outside Book-Entry-Only System

In the event that the book-entry-only system is discontinued, the Transfer 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 Resolution, 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 Transfer Agent by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Transfer 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 Transfer 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 Transfer 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 Resolution. No transfer or exchange made other than as described above and in the Resolution shall be valid or effective for any purposes under the Resolution.

Optional Redemption

The Bonds or portions of the Bonds in multiples of \$5,000, maturing on or after May 1, 2037*, are subject to redemption prior to maturity 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*, at par plus accrued interest to the date fixed for redemption.

*Preliminary, subject to change

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 Transfer 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 Transfer 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 Transfer Agent to redeem said Bonds. Upon presentation and surrender of such Bonds at the corporate trust office of the Transfer 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 Transfer Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by such partial redemption, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

TAX PROCEDURES

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

On March 15, 1994, the electors of the State 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 Resolution 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 on hand, 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. In 2021 the Legislature eliminated the foundation allowance range in the 2021/22 fiscal year that had been in place since the passage of school finance reform legislation in 1994. In 2025 the Legislature established a base foundation allowance for fiscal year 2025/26 of \$10,050 per pupil.

The base foundation allowance is funded by locally raised property taxes plus State school aid appropriated under the School Aid Act. The revenues for the State's contribution to the base foundation allowance are derived from a mix of taxing sources, including but not limited to, a statewide property tax of 6 mills on all taxable property^[1], a State sales and use tax, a real estate transfer tax and a cigarette tax.

^[1]“Taxable property” in this context does not include industrial personal property. See also “MICHIGAN PROPERTY TAX REFORM” herein regarding recent amendments exempting certain types of personal property from school operating taxes.

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 property^[2] in order for the school district to receive its full base foundation allowance. In the 2025/26 fiscal year, the School District levied 18 mills on non-homestead property and received approximately \$19,319 per pupil which is greater than the \$10,050 per pupil base foundation amount the School District is entitled to receive under the State Aid Act. For this reason, the School District does not receive State school aid from the State for any portion of its per pupil foundation allowance. This is referred to as a school district that is “out of formula.” See “OUT-OF-FORMULA SCHOOL DISTRICT” herein.

The School District may receive various categorical grants for specific expenditures such as special education, “at-risk” students, meal programs, early education, vocational-technical programs, bilingual programs and other instructional and non-instructional programs. The type and amount of these categorical grants are determined by the State pursuant to the annual amendments to the School Aid Act. For further information regarding the type and amount of categorical grants received by the School District see the Audited Financial Statements in APPENDIX C.

The appropriation of funds by the Legislature to establish the base foundation allowance and the categorical grants under the School Aid Act may be adjusted annually as part of the State’s budgeting process. 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 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.

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

“OUT-OF-FORMULA” SCHOOL DISTRICT

The School District levies 18 mills of operating tax 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 enough revenue from its non-homestead operating tax millage to entirely fund its per pupil foundation allowance without any contribution from the State. This is referred to as a school district that is “out-of-formula.” In the 2025/26 fiscal year, the School District levied 18 mills on non-homestead property and received approximately \$19,319 per pupil which is greater than the \$10,050 per pupil base foundation amount the School District is entitled to receive under the State Aid Act.

MICHIGAN PERSONAL PROPERTY TAX REFORM

Between 2012 and 2020, the Michigan Legislature enacted a series of statutes reforming personal property taxation in Michigan. Initial legislation passed in 2012 was amended and replaced by a package of bills enacted in 2013 and 2014, both of which were contingent on the passage of a ballot proposition in August 2014. That ballot proposition, which Michigan voters approved, authorized a new municipal entity, the Local Community Stabilization Authority (“LCSA”). Additional legislation in 2015, 2018, and 2020 refined the

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

reimbursement framework, adjusted reporting requirements, and modified calculation methods for tax reimbursements.

The legislation includes two categories of exemptions from the personal property tax. Under the small taxpayer exemption, commercial and industrial personal property owned by taxpayers with a combined true cash value below a specified threshold in a local tax collecting unit is exempt from ad valorem taxes; the threshold was initially set at \$80,000 and has since been increased by the Legislature to \$180,000. Under the eligible manufacturing personal property exemption, personal property used more than 50% of the time in industrial processing or direct integrated support is exempt from taxation provided it meets other statutory eligibility requirements.

The LCSA is a municipal entity created by voter approval in August 2014. The LCSA is authorized to levy a local component of the statewide use tax and distribute that revenue to qualifying local units of government – including school districts, intermediate school districts, counties, cities, villages, townships, community colleges and tax increment finance authorities – to offset revenue losses caused by the personal property tax exemptions. The LCSA administers the personal property tax reimbursement process, including calculating and distributing reimbursement payments, managing reporting deadlines, processing correction requests, and distributing fire protection services payments. The Michigan Department of Treasury works in coordination with the LCSA to administer these functions.

The legislation provides for reimbursement to school districts for revenue losses resulting from the personal property tax exemptions, including lost revenue from its operating millage, sinking fund millage, and debt service millage. School districts are entitled to reimbursement for lost operating millage revenue, which is funded either from the State use tax component deposited into the State school aid fund or from the LCSA, and reimbursement for lost sinking fund millage revenue, with both calculated pursuant to the applicable statutory formulas. School districts are also reimbursed for lost debt millage revenue pursuant to a statutory formula, and school districts must reduce their debt millage rate to reflect the school debt loss reimbursement that will be received. The Legislature may in the future change the funding formulas for the types and amounts to be reimbursed.

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 Raymond James & Associates, Inc. (the “Underwriter”) at the time of the original delivery of the Bonds.

TAX MATTERS

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, the interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The opinions on federal and State of Michigan tax matters are based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the School District contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excludable from gross income

for federal and State of Michigan income tax purposes. The School District has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excludable from gross income for federal and State of Michigan income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinion assumes the accuracy of the School District's certifications and representations and the continuing compliance with the School District's covenants. Noncompliance with these covenants by the School District may cause the interest on the Bonds to be included in gross income for federal and State of Michigan income tax purposes retroactively to the date of issuance of the Bonds. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market prices of the Bonds.

The opinions of Bond Counsel are based on current legal authority and cover certain matters not directly addressed by such authority. They represent Bond Counsel's legal judgment as to the excludability of interest on the Bonds from gross income for federal and State of Michigan income tax purposes but are not a guarantee of that conclusion. The opinions are not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986, as amended (the "Code"), the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, corporations (as defined in Section 59(k) of the Code) subject to the alternative minimum tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion regarding any such consequences.

Tax Treatment of Accruals on Original Issue Discount Bonds

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Bond is less than the stated redemption price of such Bonds at maturity, then such Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

Amortizable Bond Premium

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium.

Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). 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 the 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 at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

Market Discount

The "market discount rules" of the Code apply to the Bonds. Accordingly, holders acquiring their Bonds subsequent to the initial issuance of the Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid after March 31, 2007, on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

Future Developments

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the School District in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the School District as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, 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 OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE BONDS, OR

OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON.

FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY ACTIONS OF THE INTERNAL REVENUE SERVICE, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE BONDS FOR AUDIT EXAMINATION, OR THE COURSE OR RESULT OF ANY EXAMINATION OF THE BONDS, OR OTHER BONDS WHICH PRESENT SIMILAR TAX ISSUES, WILL NOT AFFECT THE MARKET PRICE OF THE BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS, INCLUDING THE IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

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 Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds, Bond Counsel has made no inquiry as to any financial information, statements or materials contained in any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial information, statements or materials.

Certain legal matters will be passed upon for the Underwriter by its counsel, Varnum LLP, Grand Rapids, Michigan.

APPROVAL BY MICHIGAN DEPARTMENT OF TREASURY

The School District has received a letter from the Department of Treasury of the State of Michigan stating that the School District is in material compliance with the criteria of the Revised Municipal Finance Act, Act No. 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 will assign, as of the date of delivery of the Bonds, its municipal bond rating of "AA-" to the Bonds.

No application has been made to any other ratings service for the rating on the Bonds. The School District furnished to S&P certain materials and information in addition to that provided herein. Generally, the rating agency bases its rating on such information and materials, and on investigations, studies and assumptions. There is no assurance that such rating will prevail for any given period of time or that it 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 rating may have an adverse effect on the market price of the Bonds. Any rating assigned represents only the view of S&P. Further information is available upon request from S&P, 55 Water Street, New York, New York 10014, 212.438.1000.

UNDERWRITING

The Underwriter 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 original 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, the status of the Bonds, the interest thereon as exempt from taxation in the State or interest on the Bonds as 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 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 Exchange Act.

MUNICIPAL ADVISOR’S OBLIGATION

The School District has retained PFM Financial Advisors LLC, 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 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 Undertaking for the Bonds (the “Undertaking”) for the benefit of the Bondholders (as defined in the Undertaking) to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. 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 Undertaking are set forth in “APPENDIX E: FORM OF CONTINUING DISCLOSURE UNDERTAKING” to this Official Statement.

A failure by the School District to comply with the Undertaking will not constitute an event of default under the Resolution and Bondholders are limited to the remedies described in the Undertaking. A failure by the School District to comply with the Undertaking 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.

BALDWIN COMMUNITY SCHOOLS
Counties of Lake and Newaygo
State of Michigan

By: /s/ _____
Its: Superintendent of Schools

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APPENDIX A¹

BALDWIN COMMUNITY SCHOOLS

GENERAL FINANCIAL, ECONOMIC AND SCHOOL INFORMATION

LOCATION AND AREA

Baldwin Community Schools (the "School District") occupies an area of 371 square miles encompassing all of the Village of Baldwin and Townships of Cherry Valley, Eden, Peacock, Pleasant Plains, Webber, and Yates and portions of the Townships of Elk, Lake, Newkirk, Sauble, and Sweetwater in Lake County and all of the Township of Lilley and a portion of the Township of Merrill in Newaygo County.

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

75	miles northwest of Grand Rapids
53	miles southwest of Traverse City
25	miles east of Ludington
170	miles northwest of Detroit

POPULATION

The U.S. Census reported and 2024 estimated populations for the School District is as follows:

	<u>School District</u>	<u>Township of Lake</u>	<u>County of Lake</u>
2024 Estimate	9,456	911	12,563
2020 U.S. Census	8,903	810	12,096
2010 U.S. Census	8,209	862	11,539

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

BOARD OF EDUCATION

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

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

ENROLLMENT

Historical Enrollment

Historical fall enrollment for the School District is as follows:

School Year End 30-Jun	Full-time Equivalent	Change	School Year End 30-Jun	Full-time Equivalent	Change
2026	484	13.08%	2021	447	-7.64%
2025	428	4.65	2020	484	-4.35
2024	409	-6.19	2019	506	-5.95
2023	436	0.69	2018	538	5.08
2022	433	-3.13	2017	512	--

2025/2026 Fall Count

Kindergarten	28	8 th	24
1 st	39	9 th	33
2 nd	29	10 th	21
3 rd	36	11 th	28
4 th	37	12 th	26
5 th	26	Subtotal	391
6 th	28	Special Ed.	93
7 th	36	Total	484

Source: School District and Michigan Department of Education via website

SCHOOL DISTRICT FACILITIES

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

Facility	Grades Served	Year Built	Last Remodel/Addition	Type of Construction
<i>Elementary School:</i>				
Baldwin Elementary	K-5	1999	--	Masonry
<i>Middle and High School:</i>				
Baldwin JR/SR High School	6-12	1984	1999	Masonry
<i>Additional Facilities:</i>				
Health Clinic	N/A	2012	--	Masonry

OTHER SCHOOLS

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

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 Payments and the Amount Received per Pupil from State Aid Payments. However, since the School District is out of formula and collected approximately \$19,319 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. See "OUT-OF-FORMULA SCHOOL DISTRICT" in the front part of this Official Statement. The School District does, however, receive state school aid for 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 APPENDIX C hereto.

Fiscal Year End	Total State Aid Payments	Less: Pass through Revenue for Teen Health Funds ¹	Net State Aid Payments	Blended Pupil Count	Amount Received per Pupil from State Aid Payments ²	Local Operating Tax Revenue ³	Amount Received per Pupil from Local Operating Taxes ⁴	Total Received per Pupil
2026 ⁵	\$61,515,329	\$58,950,000	\$2,565,329	434.47	\$5,905	\$8,393,318	\$19,319	\$25,223
2025	61,506,956	58,950,000	2,556,956	425.76	6,006	8,008,016	18,809	24,814
2024	101,547,583	98,950,000	2,597,583	426.02	6,097	7,551,132	17,725	23,822
2023 ⁶	56,019,676	53,950,000	2,069,676	448.26	4,617	7,737,288	17,261	21,878
2022	30,398,159	28,950,000	1,448,159	465.37	3,112	6,691,358	14,379	17,490
2021	23,647,903	22,450,000	1,197,903	490.81	2,441 ⁷	6,524,916	13,294	15,735

¹Represents the portion of the pass through grant funding for the Teen Health Fund grant which is included in the School District's State Aid payments.

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

³Represents the local operating taxes levied by the District.

⁴Represents the "Local Operating Tax Revenue" divided by the "Blended Pupil Count".

⁵Preliminary estimate, subject to change.

⁶Fiscal year end 2023 State Aid Payments included \$365,211.70 of non-recurring revenue that was paid to the Michigan Public School Employees Retirement System toward the pension system's unfunded accrued liability.

⁷Public Act 165 of 2020 restored the State school aid reductions contained in Public Act 146 of 2020 for the 2020/21 fiscal year, added a onetime \$65 per pupil payment and added other appropriations for qualifying school districts.

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

PROPERTY VALUATIONS

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

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

History of Valuations

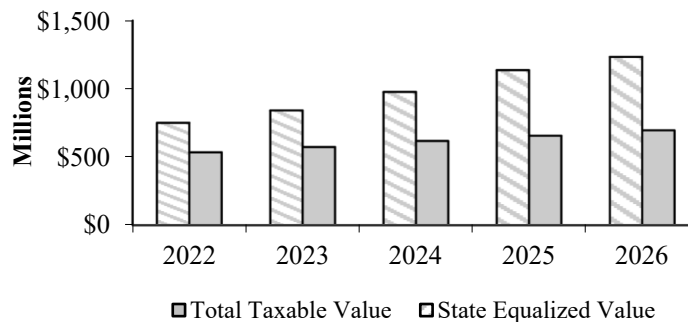
A history of the property valuations in the School District is shown below:

Year	Principal Residence ¹	Non- Principal Residence ¹	Total Taxable Value	Percent Change	State Equalized Value	Percent Change
2026	\$204,907,163	\$491,272,602	\$696,179,765	6.09%	\$1,234,620,950	8.52%
2025	188,641,240	467,545,114	656,186,354	6.24	1,137,689,900	16.39
2024	171,298,643	446,322,818	617,621,461	7.66	977,454,350	16.08
2023	152,825,774	420,875,583	573,701,357	7.37	842,018,066	12.18
2022	140,360,044	393,973,989	534,334,033	----	750,601,500	----

¹All industrial personal property is included in the principal residence tax base. While commercial personal property continues to be included in the non-principal residence tax base, it is exempt from 12 of the 18 operating mills levied on non-principal residence property only. In 2026, industrial personal property had a taxable value of \$0 and commercial personal property had a taxable value of \$5,606,950 in the School District.

Source: Lake and Newaygo Counties Equalization Departments

History of Valuations



Annual Equivalent Valuation

A summary of the 2026 valuation is as follows:

2026 Taxable Value	\$696,179,765
Plus: 2026 Equivalent IFT Taxable Value ¹	43,750
Total 2026 Equivalent Taxable Value	<u>\$696,223,515</u>
Less: 2026 Disabled Veterans Exemption Taxable Value ²	(4,771,222)
Net 2026 Annual Equivalent Valuation	<u><u>\$691,452,293</u></u>

¹See "INDUSTRIAL FACILITY TAX ABATEMENTS" herein.

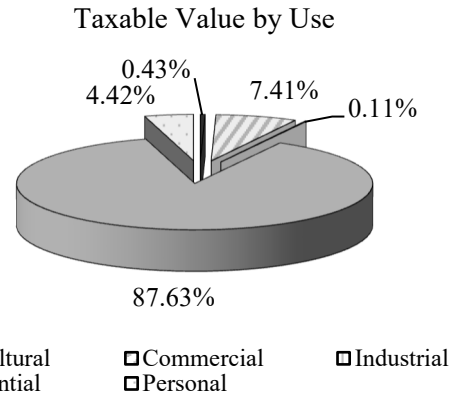
²Represents value which is exempt from taxes pursuant to Michigan's General Property Tax Act Section 7b, MCL 211.7b, which states real property used and owned as a homestead by either (1) a disabled veteran who was discharged from the United States armed forces under honorable conditions or (2) the disabled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

Source: Lake and Newaygo Counties Equalization Departments

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	\$665,390,515	95.58%
Personal Property	30,789,250	4.42
TOTAL	\$696,179,765	100.00%
By Use:		
Agricultural	\$2,996,944	0.43%
Commercial	51,577,690	7.41
Industrial	786,351	0.11
Residential	610,029,530	87.63
Personal	30,789,250	4.42
TOTAL	\$696,179,765	100.00%



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

Municipality	2026 Taxable Value	Percent of Total
<i>County of Lake</i>		
Cherry Valley Township	\$25,683,806	3.69%
Eden Township	40,355,782	5.80
Elk Township	45,693,424	6.56
Lake Township	155,425,947	22.32
Newkirk Township	6,872,154	0.99
Peacock Township	50,809,209	7.30
Pleasant Plains Township	88,052,176	12.65
Sauble Township	44,352,104	6.37
Sweetwater Township	17,192,329	2.47
Webber Township	87,079,754	12.51
Yates Township	48,306,807	6.94
<i>County of Newaygo</i>		
Lilley Township	60,788,127	8.73
Merrill Township	25,568,146	3.67
TOTAL	\$696,179,765	100.00%

Source: Lake and Newaygo Counties Equalization Departments

INDUSTRIAL FACILITY TAX ABATEMENTS

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

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

The 2026 Taxable Value for the properties which have been granted IFT abatements within the School District's boundaries is \$87,500, 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: Lake County Equalization Department

MAJOR TAXPAYERS

Shown below are the ten largest taxpayers in the School District based on their 2026 total valuation subject to taxation.

Taxpayer	Product/Service	2026 Taxable Value
GEO Group Corp. formerly North Lake Correction Facility	ICE Detention Facility	\$26,618,962
Great Lakes Energy	Utility	10,093,100
Wolverine Power Supply Corp	Utility	6,936,934
Consumers Power	Utility	6,183,387
Malaska LLC	Wildlife Center	2,432,763
P M Rod & Gun Club	Gun Club	2,229,321
Oak Village Care Center	Nursing Home	2,047,632
Spectrum Mid-America LLC	Cable/Communications	1,408,850
METC	Utility	1,315,450
Edema Family Trust	Residential	1,209,206
TOTALS		\$60,475,605
Total 2026 Taxable Value		\$696,179,765
Top 10 Taxpayers as a % of 2026 Total Taxable Value		8.69%

Source: Lake and Newaygo Counties Equalization Departments

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

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

	2025	2024	2023	2022	2021
Operating – Voted	18.0000	18.0000	18.0000	18.0000	18.0000
Debt	3.9000	0.0000	0.0000	1.2400	1.2400
Total Non-Principal Residence	21.9000	18.0000	18.0000	19.2400	19.2400
Total Principal Residence	3.9000	0.0000	0.0000	1.2400	1.2400

The School District levies voted operating millage on non-principal residence property and authorized debt millage on all taxable property within the School District. The voted operating millage expires with the 2034 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
Lake County	12.3808	12.5202
Township of Lake	2.5618	2.5708
Village of Baldwin	13.7263	14.1860
Newaygo County	7.0865	7.3268
West Shore ESD	3.5207	3.5523

Source: Lake and Newaygo Counties Equalization Departments

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 fiscal 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 1st of the year following the levy are turned over to the County Treasurers for collection. Lake and Newaygo Counties (the “Counties”) annually pay from their Tax Payment Funds delinquent taxes on real property to all taxing units in the Counties, including the School District, shortly after the date delinquent taxes are returned to the County Treasurers 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	\$8,393,318	\$7,210,615	85.91%	N/A	
2024	8,008,016	7,157,506	89.38	\$7,909,333	98.77%
2023	7,551,132	6,919,850	91.64	7,551,132	100.00
2022	7,737,288	6,990,960	90.35	7,737,288	100.00
2021	6,691,358	6,124,438	91.53	6,691,358	100.00
2020	6,524,916	5,846,769	89.61	6,524,916	100.00

RETIREMENT PLAN

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

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

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

Contribution to MPERS

The School District’s estimated annual contribution to MPERS 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 MPERS Direct Offset Payments ²
2026 ¹	\$1,392,309	\$48,304	\$1,440,613	\$705,880
2025	1,733,256	82,112	1,815,368	549,666
2024	1,696,464	355,337	2,051,801	797,468
2023	1,334,450	328,860	1,663,310	992,305
2022	1,212,880	298,920	1,511,800	574,104

¹Estimated.

²Represents the amount the School District received in state aid categorical revenue (Section 147c MPERS UAAL Rate Stabilization and One-Time Deposits) to directly pay for a portion of the School District’s MPERS 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 \$9,931,120 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 \$1,740,180 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:

<u>Employee Group</u>	<u>No. of Employees</u>	<u>Affiliation</u>	<u>Exp. Date of Contract</u>
Administrators	5	Non-Affiliated	N/A
Teachers	36	BEA	06/30/30
Aides	14	BESPA	06/30/28
Bus Driver	1	BESPA	06/30/28
Media Specialist	2	BESPA	06/30/28
Non-Affiliated	18	Non-Affiliated	N/A
TOTAL	<u><u>76</u></u>		

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

DEBT STATEMENT* - (As of 07/01/26 – 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>
03/18/25	Building and Site	UTNQ	05/01/49	\$11,240,000
/ /26	Building and Site	UTNQ	05/01/51	32,880,000*
NET DIRECT DEBT				\$44,120,000*

OVERLAPPING DEBT:

<u>Percent Share</u>	<u>Municipality</u>	<u>Net Debt</u>	<u>District's Share</u>
100.00%	Cherry Valley Township	\$0	\$0
100.00	Eden Township	464,391	464,391
40.50	Elk Township	1,390,537	563,167
93.90	Lake Township	0	0
100.00	Lilley Township	0	0
61.86	Merrill Township	0	0
17.30	Newkirk Township	0	0
100.00	Peacock Township	0	0
100.00	Pleasant Plains Township	0	0
99.82	Sauble Township	540,073	539,101
75.08	Sweetwater Township	0	0
100.00	Webber Township	0	0
100.00	Yates Township	66,055	66,055
100.00	Baldwin Village	340,000	340,000
69.58	Lake County	3,075,000	2,139,585
3.56	Newaygo County	587,320	20,909
15.17	West Shore ESD	0	0
7.73	White Cloud Community Library	0	0
TOTAL OVERLAPPING DEBT			4,133,208
NET DIRECT AND OVERLAPPING DEBT			\$48,253,208*

*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	9,456
2026 Taxable Value	\$696,179,765
2026 State Equalized Value (SEV)	\$1,234,620,950
2026 True Cash Value (TCV)	\$2,469,241,900
Per Capita 2026 Taxable Value	\$73,623.07
Per Capita 2026 State Equalized Value	\$130,564.82
Per Capita 2026 True Cash Value	\$261,129.64
Per Capita Net Direct Debt	\$4,665.82
Per Capita Net Direct and Overlapping Debt	\$5,102.92
Percent of Net Direct Debt of 2026 Taxable Value	6.34%
Percent of Net Direct and Overlapping Debt of 2026 Taxable Value	6.93%
Percent of Net Direct Debt of 2026 SEV	3.57%
Percent of Net Direct and Overlapping Debt of 2026 SEV	3.91%
Percent of Net Direct Debt of 2026 TCV	1.79%
Percent of Net Direct and Overlapping Debt of 2026 TCV	1.95%

*Preliminary, subject to change.

LEGAL DEBT MARGIN* - (As of 07/01/26 – including the Bonds described herein)

2026 State Equalized Value		\$1,234,620,950
Legal Debt Limit - 15% of SEV		\$185,193,143
Total Bonded Debt Outstanding	\$44,120,000	
Less: SLRF Qualified Bonds ¹	<u>0</u>	
Net Amount Subject to Legal Debt Limit		<u>44,120,000</u>
LEGAL DEBT MARGIN AVAILABLE		<u><u>\$141,073,143</u></u>

*Preliminary, subject to change.

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

EMPLOYMENT CHARACTERISTICS

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

Employer	Product or Service	Approx. No. of Employees
<i>Within the School District</i>		
Lake County	Local Government	126
Grand Oaks Nursing Center	Nursing Home	95
Baldwin Community Schools	Education	76
Kingdom Hall of Jehovah Witnesses	Religious Society	51
Houseman's Foods Center	Grocery Store	40
National Forest Service	Wildlife Conservation	31
Lake-Osceola State Bank	Banking	30
Rothing Forest Products	Lumber	28
Peacock Industries Inc.	Welding & Fabricating	25
West Michigan Community Mental Health	Mental Health Facility	15
Lake County Ambulance	Emergency Services	13
<i>Within the County of Newaygo</i>		
Magna Mirrors of America	Automotive Mirrors	1,025
Corewell Health - Gerber Hospital	Healthcare & Hospital	682
Gerber Products/Nestlé Nutrition	Infant Food & Products	661
Gerber Life Insurance	Life Insurance Provider	418
Meijer Inc. (multiple locations)	Retail & Grocery	350
Fremont Public Schools	Education	331
Arbor Circle Newaygo Services	Mental Health Services	300
Newaygo County RESA	Education	237
Newaygo Public Schools	Education	201
Newaygo County	Local Government	200
Walmart	Retail & Grocery	195

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

EMPLOYMENT BREAKDOWN

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

	County of Lake	
	Number	Percent
PERSONS BY OCCUPATION	4,526	100.00%
Management, Business, Science & Arts	1,160	25.63
Service	908	20.06
Sales & Office	859	18.98
Natural Resources, Construction & Maintenance	524	11.58
Production, Transportation & Material Moving	1,075	23.75

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

	County of Lake	
	Number	Percent
PERSONS BY INDUSTRY	4,526	100.00%
Agriculture, Forestry, Fishing, Hunting & Mining	122	2.70
Construction	349	7.71
Manufacturing	910	20.10
Wholesale Trade	68	1.50
Retail Trade	567	12.53
Transportation, Warehousing & Utilities	256	5.66
Information	99	2.19
Finance, Insurance & Real Estate	240	5.30
Professional, Scientific & Management Services	389	8.59
Educational, Health & Social Services	606	13.39
Arts, Entertainment, Recreation & Food Services	457	10.10
Other Services except Public Administration	228	5.04
Public Administration	235	5.19

UNEMPLOYMENT

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

Annual Average	County of Lake	State of Michigan
April, 2026	6.1%	4.5%
2025	7.6	5.2
2024	6.8	4.7
2023	6.2	3.9
2022	5.8	4.2

POPULATION BY AGE

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

	County of Lake	
	Number	Percent
Total Population	12,563	100.00%
0 through 19 years	2,185	17.39
20 through 64 years	6,955	55.36
65 years and over	3,423	27.25
Median Age	50.5 years	

INCOME

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

HOUSEHOLDS BY INCOME	County of Lake	
	Number	Percent
	5,190	100.00%
Less than \$ 10,000	305	5.88
\$ 10,000 to \$ 14,999	317	6.11
\$ 15,000 to \$ 24,999	628	12.10
\$ 25,000 to \$ 34,999	662	12.76
\$ 35,000 to \$ 49,999	617	11.89
\$ 50,000 to \$ 74,999	1,221	23.52
\$ 75,000 to \$ 99,999	625	12.04
\$100,000 to \$149,999	518	9.98
\$150,000 to \$199,999	173	3.33
\$200,000 or MORE	124	2.39
Median Income		\$50,805

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APPENDIX B
GENERAL FUND BUDGET SUMMARIES AND
COMPARATIVE FINANCIAL STATEMENTS

Baldwin Community Schools
General Fund Budget Summaries

	As Final 2025/26	As Adopted 2026/27
Revenue:		
Local Sources	\$10,030,738	\$10,508,710
State Sources	2,507,085	2,446,456
Federal Sources	550,532	550,532
Other Sources	471,740	350,000
Total Revenue	\$13,560,095	\$13,855,698
Expenditures:		
Instructional Services:		
Basic Program	\$4,994,079	\$5,033,535
Added Needs	1,120,896	1,177,791
Support:		
Pupil	1,091,022	1,216,245
Instructional Staff	392,747	420,188
General Administration	836,971	844,579
School Administration	894,170	932,567
Business Services	486,186	489,586
Operation & Maintenance	1,241,128	1,256,974
Transportation	799,932	796,932
Central Support Services	454,121	372,916
Athletics	367,879	377,542
Community Activities	128,500	28,500
Other Community Services	10,000	10,000
Total Expenditures	\$12,817,631	\$12,957,355
Excess of Expenditures (over) under Revenues	\$742,464	\$898,343
Beginning Fund Balance - July 1	\$15,695,842	\$16,438,306
Projected Fund Balance - June 30	\$16,438,306	\$17,336,649

Source: School District

**Baldwin Community Schools
General Fund
Comparative Balance Sheet**

	For Fiscal Years Ended June 30th		
	2023	2024	2025
Assets:			
Cash and Cash Equivalents	\$11,749,471	\$13,653,710	\$16,444,581
Accounts Receivable	2,714	4,717	999
Due from Other Governmental Units	906,001	1,580,726	1,030,749
Due from Other Funds	--	--	103,617
Inventories	2,290	2,290	2,290
Total Assets	\$12,660,476	\$15,241,443	\$17,582,236
Liabilities:			
Accounts Payable	\$52,438	\$73,423	\$37,390
Due to Other Governmental Units	335,374	349,035	805,592
Accrued Salaries and Withholdings	354,601	478,474	507,072
Due to Other Funds	93,551	61,030	--
Unearned Revenue	306,433	640,974	536,340
Total Liabilities	\$1,142,397	\$1,602,936	\$1,886,394
Fund Balance:			
Nonspendable	\$2,290	\$2,290	\$2,290
Committed	50,000	50,000	8,050,000
Unassigned	11,465,789	13,586,217	7,643,552
Total Fund Balance	\$11,518,079	\$13,638,507	\$15,695,842
Total Liabilities and Fund Balance	\$12,660,476	\$15,241,443	\$17,582,236

Source: Audited Financial Statements

**Baldwin Community Schools
General Fund**

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

	For Fiscal Years Ended June 30th		
	2023	2024	2025
Revenue:			
Local Sources	\$8,695,781	\$10,306,314	\$10,102,442
State Sources	1,912,507	2,244,286	2,664,786
Federal Sources	1,423,098	1,108,230	741,043
Interdistrict Sources	122,984	195,511	451,853
Total Revenue	<u>\$12,154,370</u>	<u>\$13,854,341</u>	<u>\$13,960,124</u>
Expenditures:			
Current:			
Instruction	\$5,570,335	\$5,590,444	\$5,701,005
Supporting Services	5,241,190	6,094,780	6,101,803
Community Service	28,076	18,930	122,616
Capital Outlay	16,230	29,759	4,345
Total Expenditures	<u>\$10,855,831</u>	<u>\$11,733,913</u>	<u>\$11,929,769</u>
Excess of Revenue Over (Under) Expenditures	<u>\$1,298,539</u>	<u>\$2,120,428</u>	<u>\$2,030,355</u>
Other Financing Sources (Uses):			
Operating Transfers In	\$118,695	--	\$26,980
Operating Transfers Out	--	--	--
Total Other Financing Sources (Uses):	<u>\$118,695</u>	<u>\$0</u>	<u>\$26,980</u>
Excess of Revenue & Other Sources Over (Under) Expenditures & Other Uses	\$1,417,234	\$2,120,428	\$2,057,335
Fund Balance - Beginning	<u>\$10,100,845</u>	<u>\$11,518,079</u>	<u>\$13,638,507</u>
Fund Balance - Ending	<u><u>\$11,518,079</u></u>	<u><u>\$13,638,507</u></u>	<u><u>\$15,695,842</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

October 23, 2025

The Board of Education
Baldwin Community Schools

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Baldwin Community Schools, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the major funds, 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 Baldwin Community Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements.

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2025, on our consideration of the Baldwin Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Baldwin Community Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Baldwin Community Schools internal control over financial reporting and compliance.



Certified Public Accountants
Grand Rapids, Michigan

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MANAGEMENT'S DISCUSSION AND ANALYSIS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

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

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

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

District-wide Statements

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

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

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, one should consider additional non-financial factors such as changes in the District's property tax-base and the condition of school buildings and other facilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

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

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

Condensed District-wide Financial Information

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

	2025	2024
Assets		
Current assets	\$ 36,561,361	\$ 27,880,078
Net capital assets	6,916,256	6,534,276
Net OPEB asset	1,740,180	226,502
Total Assets	45,217,797	34,640,856
Deferred Outflows of Resources	4,338,465	5,225,748
Liabilities		
Current liabilities	9,440,957	14,036,637
Long-term liabilities	12,159,858	99,371
Net pension liability	9,931,120	12,459,023
Total Liabilities	31,531,935	26,595,031
Deferred Inflows of Resources	5,053,793	3,172,083
Net Position		
Net investment in capital assets	6,005,040	6,534,276
Restricted	359,763	224,934
Unrestricted (deficit)	6,605,731	3,340,280
Total Net Position	\$ 12,970,534	\$ 10,099,490

MANAGEMENT'S DISCUSSION AND ANALYSIS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

The Statement of Activities presents changes in net position for operating results:

	2025	2024
Program Revenues		
Charges for services	\$ 161,025	\$ 123,092
Operating grants	63,286,224	102,889,003
General Revenues		
Property taxes	7,967,061	7,608,151
State school aid, unrestricted	99,011	180,173
Interest and investment earnings	2,114,768	2,343,139
Other	173,986	345,744
Total Revenues	73,802,075	113,489,302
Expenses		
Instruction	5,663,756	5,475,333
Supporting services	63,720,742	103,936,809
Community services	122,404	18,430
Food service	683,805	639,201
Interest on long-term debt	224,094	-
Depreciation, unallocated	342,221	332,080
Other	174,009	-
Total Expenses	70,931,031	110,401,853
Increase in net position	2,871,044	3,087,449
Net Position, Beginning of Year	10,099,490	7,012,041
Net Position, End of Year	\$ 12,970,534	\$ 10,099,490

Financial Analysis of the District as a Whole

Total revenues exceeded expenses by \$2,871,044, increasing total net position from \$10,099,490 to a balance of \$12,970,534 at June 30, 2025. Unrestricted net position increased by \$3,265,451 to a balance of \$6,605,731 at June 30, 2025. The District's net pension liability, including deferred outflows and inflows of resources, decreased by \$595,306. The net OPEB asset, including deferred outflows and inflows of resources, decreased by \$677,282.

The District's total revenues decreased 34.97% to \$73.8 million, of which \$58,950,000 relates to Teen Health Funds being passed through the District. Excluding this amount, property taxes and state aid accounted for 54.31% of the total, with another 29.2% from state and federal aid for specific programs, and the remainder from fees charged for services, interest earnings, and miscellaneous sources.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

The total cost of all programs and services decreased 35.8% to \$70.9 million, of which \$58,950,000 relates to Teen Health Funds being passed through the District. Excluding this amount, the District's expenses are predominantly related to instruction (47.3%), and supporting services (39.8%) which includes various functions such as caring for (pupil services) and transporting students, administrative services, and operation and maintenance services.

The District continues to monitor the State economy and District budget and demographics in an attempt to protect academic programs and opportunities during challenging economic times. Regular updates on the budget and District finances were provided to the Board of Education, community groups, staff, and parents.

- At each monthly Board meeting and at the monthly Board workshop meetings, budget information was shared. The Board was kept updated on the changing economy and the impact on the current year budget as well as the impact on the following year budget.
- The District fully complies with the State Transparency Reporting requirements and posts on the District web site all budgetary and other financial information.
- The Superintendent and/or designees continue to communicate throughout the year with parents and community members to share information vital to their understanding of the operations of the District.
- Information is also shared throughout the year through Family Links (parent support groups), the Baldwin Community Schools website, a school newsletter distributed to families living within the Baldwin community, and monthly to the Baldwin Chamber of Commerce.

Fund Financial Statements

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

The District utilizes one kind of fund:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending.

Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, reconciliations are provided separately.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Financial Analysis of the District's Funds

The District uses funds to record and analyze financial information. Baldwin Community Schools' funds are described as follows:

Major Funds

General Fund

The General Fund is the District's primary operating fund. The General Fund had total revenues of \$13,960,124, total other financing sources of \$26,980, and total expenditures of \$11,929,769. The ending fund balance was \$15,695,842 at June 30, 2025, up from \$13,638,507 at June 30, 2024.

Teen Health Fund

The District operates one major special revenue fund. The Teen Health Fund had total revenues of \$58,950,000 and total expenditures of \$58,950,000. This fund serves a pass-through function; therefore, it ends each year with no fund balance.

2025 Construction Fund

The District operates one major Capital Projects Fund. The Fund had total revenues of \$157,553, total financing sources of \$13,767,407 (including \$12,990,000 in proceeds from bond issuance, and \$777,407 in bond premium), total expenditures of \$696,762, and total other financing uses of \$372,007. The ending fund balance was \$12,856,191 at June 30, 2025.

Nonmajor Funds

Special Revenue Funds

The District operates two nonmajor Special Revenue Funds; for the food service program and student/school activities. The Special Revenue Funds had total revenues of \$734,384, and total expenditures of \$720,502. The ending fund balances in the Special Revenue Funds totaled \$211,850, up from \$197,968, at June 30, 2024. Of the ending fund balances, \$179,181 is attributed to the Food Service Fund, and \$32,669 is attributed to the Student/School Activities Fund.

Debt Service Fund

The District operates one nonmajor Debt Service Fund. The Fund had total other financing sources of \$372,007, with no revenues or expenditures recorded. The ending fund balance totaled \$372,007 at June 30, 2025.

Capital Projects Fund

There is one nonmajor Capital Projects Fund incorporated into the financial statements of the District, the Capital Improvement Fund. The Capital Improvement Fund had total revenues of \$14 and other financing uses of \$26,980, resulting in an ending fund balance of \$0 as of June 30, 2025, down from \$26,966 at June 30, 2024.

MANAGEMENT’S DISCUSSION AND ANALYSIS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

General Fund Budgetary Highlights

The District’s original annual operating budget was amended two times subsequent to June 2024:

- The District’s final amended budget for the General Fund anticipated a net increase in fund balance of \$1,835,501.

Capital Asset and Debt Administration

Capital Assets

By the end of 2025, the District had invested \$17.7 million in a broad range of capital assets, including land, school buildings, athletic facilities, school buses and other vehicles, and furniture and equipment (More detailed information about capital assets can be found in Note E in the notes to basic financial statements.) Total depreciation expense for the year was \$342,221.

At June 30, 2025, the District’s investment in capital assets (net of accumulated depreciation), was \$6,916,256. This represents a net increase of \$381,980 from the previous year-end.

Land	\$ 167,500
Construction in progress	521,994
Buildings and improvements	5,725,303
Buses and other vehicles	138,824
Furniture and equipment	<u>362,635</u>
Total Capital Assets	<u>\$ 6,916,256</u>

Long-term Obligations

At year end, the District had \$13.95 million in general obligation bonds and other long-term debt outstanding – a net increase of \$13,831,879 from last year. On February 19, 2025, the District issued \$12.99 million in Building and Site bonds (with bond premium of \$777,407). The District’s bond rating for General Obligation, Unlimited Tax debt is “AA” with a stable outlook by Standard & Poor’s. The District’s other obligations include compensated absences. There is more detailed information about our long-term liabilities in Note F of the Notes to the Basic Financial Statements.

MANAGEMENT’S DISCUSSION AND ANALYSIS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Factors Bearing on the District’s Future

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

- The District generates approximately 80% of its General Fund operating revenue from its non-homestead property tax levy. Property values within the district boundaries have continued to rise resulting in additional revenues for the District.
- Voters passed the November 5, 2024 bond proposal. The projects included in the proposal consist of renovations to the elementary building and an addition to the secondary building.
- Employee retirement costs paid into the Michigan Public School Employees’ Retirement System (MPSERS), controlled by the State, continues to be a cause for concern into the future. Prior year legislative groups have addressed this unfunded liability, the fact remains there are less people paying into this system and more people receiving benefits each year, as state-wide decline in students have dictated retirees are not replaced locally on a one-to-one basis. For every dollar paid to employees throughout the year, the District pays a percentage into MPSERS. Addressing the unfunded MPSERS liability is necessary; however, it does reduce the overall available funds to all districts, as this funding dedicates a portion of school aid directly to this item.
- The District continues to optimize revenue and reduce expenditures with collaboration and partnerships, whenever possible and financially beneficial. Collaboration and partnerships are used in areas such as technology services, transportation, facilities cleaning, and food services.
- Employment recruitment and retention is a concern due to the geographical location of the district and state-wide shortage of qualified school personnel. Maintaining quality teachers, support staff, and substitutes is becoming increasingly difficult at all positions. The District is making efforts to increase its total employment wage/benefit package to recruit and retain staff. Increased wage/benefit packages may put pressure on future District’s budgets, absent State funding growth.

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers, investors, and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Central Business Office, Baldwin Community Schools, 525 4th Street, Baldwin, MI 49304.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

BALDWIN COMMUNITY SCHOOLS
For the year ended June 30, 2025

	<u>Governmental Activities</u>
Assets	
Cash	\$ 236
Cash equivalents and investments (Note B)	29,884,757
Accounts receivable	999
Due from other governmental units (Note C)	6,630,146
Inventory	10,223
Prepaid expenses	35,000
Capital assets not being depreciated (Note E)	689,494
Capital assets being depreciated, net (Note E)	6,226,762
Net OPEB asset (Note H)	1,740,180
Total Assets	<u>45,217,797</u>
Deferred Outflows of Resources	
Deferred pension amounts	3,779,740
Deferred OPEB amounts	558,725
Total Deferred Outflows of Resources	<u>4,338,465</u>
Liabilities	
Accounts payable	62,797
Due to other governmental units	6,319,262
Accrued interest payable	224,094
Accrued salaries and withholding	507,072
Unearned revenue	536,340
Long-term liabilities (Note F):	
Due within one year	1,791,392
Due in more than one year	12,159,858
Net pension liability (Note G)	9,931,120
Total Liabilities	<u>31,531,935</u>
Deferred Inflows of Resources	
Deferred pension amounts	2,814,123
Deferred OPEB amounts	2,239,670
Total Deferred Inflows of Resources	<u>5,053,793</u>
Net Position	
Net investment in capital assets	6,005,040
Restricted for:	
Debt service	147,913
Food service	179,181
Student/school activity	32,669
Unrestricted	6,605,731
Total Net Position	<u>\$ 12,970,534</u>

STATEMENT OF ACTIVITIES

**BALDWIN COMMUNITY SCHOOLS
For the year ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 5,663,756	\$ -	\$ 3,489,417	\$ (2,174,339)
Supporting services	63,720,742	29,296	59,197,042	(4,494,404)
Community services	122,404	-	22,212	(100,192)
Food service	683,805	131,729	577,553	25,477
Interest on long-term debt	224,094	-	-	(224,094)
Depreciation, unallocated*	342,221	-	-	(342,221)
Other	174,009	-	-	(174,009)
Total Governmental Activities	\$ 70,931,031	\$ 161,025	\$ 63,286,224	(7,483,782)
General Revenues				
Taxes				
Property taxes, levied for general operations				7,967,061
State school aid, unrestricted				99,011
Interest and investment earnings				2,114,768
Other				173,986
Total General Revenues				10,354,826
Change In Net Position				2,871,044
Net Position, Beginning of Year				10,099,490
Net Position, End of Year				\$ 12,970,534

*This amount excludes direct depreciation expenses of the various programs.

BALANCE SHEET

**BALDWIN COMMUNITY SCHOOLS
For the year ended June 30, 2025**

	General	Teen Health	2025		Total
			Construction	Nonmajor	
Assets					
Cash	\$ 150	\$ -	\$ -	\$ 86	\$ 236
Cash equivalents and investments	16,444,431	-	13,228,957	211,369	29,884,757
Accounts receivable	999	-	-	-	999
Due from other funds	103,617	-	-	372,007	475,624
Due from other governmental units	1,030,749	5,513,670	-	85,727	6,630,146
Inventory	2,290	-	-	7,933	10,223
Prepaid expenditures	-	-	-	35,000	35,000
Total Assets	\$ 17,582,236	\$ 5,513,670	\$ 13,228,957	\$ 712,122	\$ 37,036,985
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 37,390	\$ -	\$ 759	\$ 24,648	\$ 62,797
Due to other funds	-	-	372,007	103,617	475,624
Due to other governmental units	805,592	5,513,670	-	-	6,319,262
Accrued salaries and withholding	507,072	-	-	-	507,072
Unearned revenue	536,340	-	-	-	536,340
Total Liabilities	1,886,394	5,513,670	372,766	128,265	7,901,095
Fund Balances (Note A)					
Nonspendable	2,290	-	-	42,933	45,223
Restricted	-	-	12,856,191	540,924	13,397,115
Committed for future projects	8,050,000	-	-	-	8,050,000
Unassigned	7,643,552	-	-	-	7,643,552
Total Fund Balances	15,695,842	-	12,856,191	583,857	29,135,890
Total Liabilities and Fund Balances	\$ 17,582,236	\$ 5,513,670	\$ 13,228,957	\$ 712,122	\$ 37,036,985

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

**BALDWIN COMMUNITY SCHOOLS
For the year ended June 30, 2025**

Total governmental fund balances \$ 29,135,890

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$17,747,092 and accumulated depreciation is \$10,830,836. 6,916,256

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

General obligation bonds	\$ (12,990,000)	
Bond premium, unamortized	(777,407)	
Compensated absences	<u>(183,843)</u>	(13,951,250)

Accrued interest is not included as a liability in governmental funds. (224,094)

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Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:

Net pension liability	(9,931,120)	
Deferred outflows	3,779,740	
Deferred inflows	<u>(2,814,123)</u>	(8,965,503)

Net OPEB asset and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:

Net OPEB asset	1,740,180	
Deferred outflows	558,725	
Deferred inflows	<u>(2,239,670)</u>	59,235

Total net position - governmental activities \$ 12,970,534

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

**BALDWIN COMMUNITY SCHOOLS
For the year ended June 30, 2025**

	2025				
	General	Teen Health	Construction	Nonmajor	Total
Revenues					
Local sources	\$ 10,102,442	\$ -	\$ 157,553	\$ 156,845	\$ 10,416,840
State sources	2,664,786	58,950,000	-	19,444	61,634,230
Federal sources	741,043	-	-	558,109	1,299,152
Interdistrict sources	451,853	-	-	-	451,853
Total Revenues	13,960,124	58,950,000	157,553	734,398	73,802,075
Expenditures					
Current:					
Instruction	5,701,005	-	-	-	5,701,005
Supporting services	6,101,803	-	-	29,307	6,131,110
Community services	122,616	-	-	-	122,616
Food service	-	-	-	691,195	691,195
Payments to other governmental units	-	58,950,000	-	-	58,950,000
Capital outlay	4,345	-	522,753	-	527,098
Debt service:					
Bond issuance costs	-	-	124,249	-	124,249
Underwriter's discount	-	-	49,760	-	49,760
Total Expenditures	11,929,769	58,950,000	696,762	720,502	72,297,033
Excess (Deficiency) of Revenues Over Expenditures	2,030,355	-	(539,209)	13,896	1,505,042
Other Financing Sources (Uses)					
Proceeds from bond issuance	-	-	12,990,000	-	12,990,000
Premium on bond issuance	-	-	777,407	-	777,407
Transfers in	26,980	-	-	372,007	398,987
Transfers out	-	-	(372,007)	(26,980)	(398,987)
Total Other Financing Sources (Uses)	26,980	-	13,395,400	345,027	13,767,407
Net Change in Fund Balances	2,057,335	-	12,856,191	358,923	15,272,449
Fund Balances, Beginning of Year	13,638,507	-	-	224,934	13,863,441
Fund Balances, End of Year	\$ 15,695,842	\$ -	\$ 12,856,191	\$ 583,857	\$ 29,135,890

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

BALDWIN COMMUNITY SCHOOLS
For the year ended June 30, 2025

Net change in fund balances - total governmental funds \$ 15,272,449

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Capital outlay	\$ 724,201	
Depreciation expense	<u>(342,221)</u>	381,980

Proceeds from the sale of bonds and bond premiums are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Position:

General obligation bonds	(12,990,000)	
Bond premium	<u>(777,407)</u>	(13,767,407)

Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is paid.

(224,094)

In the Statement of Net Position, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits earned exceed the amount used/paid.

(64,472)

The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.

595,306

The changes in net OPEB asset and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.

677,282

Total changes in net position - governmental activities \$ 2,871,044

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

BALDWIN COMMUNITY SCHOOLS
For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local sources	\$ 9,902,315	\$ 10,077,287	\$ 10,102,442	\$ 25,155
State sources	2,228,845	2,702,056	2,664,786	(37,270)
Federal sources	652,631	802,157	741,043	(61,114)
Interdistrict sources	160,851	451,853	451,853	-
Total Revenues	<u>12,944,642</u>	<u>14,033,353</u>	<u>13,960,124</u>	<u>(73,229)</u>
Expenditures				
Current:				
Instruction:				
Basic programs	4,495,559	4,632,583	4,533,936	98,647
Added needs	1,256,008	1,200,164	1,167,069	33,095
Supporting services:				
Pupil services	1,056,782	1,172,663	1,147,954	24,709
Instructional staff	487,275	383,339	364,405	18,934
General administration	843,435	845,483	815,333	30,150
School administration	728,745	694,550	691,795	2,755
Business services	437,973	425,281	414,464	10,817
Operations and maintenance	1,162,681	1,217,904	1,250,243	(32,339)
Transportation	800,700	822,954	822,490	464
Central services	407,479	358,408	343,751	14,657
Athletics	259,786	276,142	251,368	24,774
Community services:				
Community activities	13,000	148,481	107,211	41,270
Welfare activities	-	5,400	5,405	(5)
Other community services	10,000	10,000	10,000	-
Capital outlay	35,000	4,500	4,345	155
Total Expenditures	<u>11,994,423</u>	<u>12,197,852</u>	<u>11,929,769</u>	<u>268,083</u>
Other Financing Sources (Uses)				
Transfers in	-	-	26,980	26,980
Other transactions	(5,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>-</u>	<u>26,980</u>	<u>26,980</u>
Net Change in Fund Balances	945,219	1,835,501	2,057,335	221,834
Fund Balances, Beginning of Year	<u>13,638,507</u>	<u>13,638,507</u>	<u>13,638,507</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 14,583,726</u>	<u>\$ 15,474,008</u>	<u>\$ 15,695,842</u>	<u>\$ 221,834</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TEEN HEALTH FUND**

**BALDWIN COMMUNITY SCHOOLS
For the year ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
State sources	\$ 53,950,000	\$ 58,950,000	\$ 58,950,000	\$ -
Expenditures				
Current:				
Payments to other governmental units	53,950,000	58,950,000	58,950,000	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

NOTES TO BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Note A - Summary of Significant Accounting Policies

Baldwin Community Schools (the "District") was organized under the School Code of the State of Michigan and services a population of approximately 428 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, pre-school programs, athletic activities, special education, community services, and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

The District's significant accounting policies are described below.

1. Reporting Entity

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include the funds of those organizational entities for which its elected governing board is financially accountable.

2. District-wide and Fund Financial Statements

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, unrestricted state aid, interest earnings, and other items not included among program revenues are reported instead as *general revenues*. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund, the Teen Health Special Revenue Fund, and the 2025 Construction Fund are the District's major funds. Nonmajor funds are aggregated and presented in a single column.

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

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

Governmental Funds

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

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

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

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

Capital Projects Funds - Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

4. Budgets and Budgetary Accounting

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

Baldwin Community Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

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

5. Encumbrances

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

6. Investments

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

7. Inventories/Prepaid Items

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

8. Capital Assets

Capital assets, which include land, buildings and site improvements, vehicles and furniture and equipment, are reported in the district-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at fair value at the date of donation.

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

Buildings and site improvements, vehicles and furniture and equipment are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	20 - 50 years
Buses and other vehicles	8 - 10 years
Furniture and equipment	5 - 20 years

9. Long-term Obligations

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

10. Compensated absences

Compensated absences at the District consist of accumulated sick leave and vacation pay. In accordance with applicable accounting standards, the District accrues a liability for compensated absences when it is more likely than not that the benefit will be realized by the employee, either through future use or payment upon separation for service. As of June 30, 2025, total compensated absences amounted to \$183,843.

11. Retirement Plan

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

12. Postemployment Benefits Plan Other Than Pensions

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

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

13. Deferred Outflows/Inflows of Resources

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

14. Net Position

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

15. Fund Balance

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

- Nonspendable - resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).
- Restricted - resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.
- Committed - resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts.
- Assigned - resources that are constrained by the government's *intent* to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes.
- Unassigned - unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

The following policy has been adopted by the Board of Education in order to address the implication of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The policy is created to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without unnecessary borrowing.

- Committed fund balance - The Board of Education, by formal action, may commit fund balance for a specific purpose. Amendments or modifications to the committed fund balance must also be approved by formal action of the Board. Committed fund balance does not lapse at year end.
- Assigned fund balance - The Board of Education delegates authority to assign fund balance for a specific purpose to the Superintendent or designee.
- Minimum fund balance - The Board of Education intends to maintain a fund balance of 12% of the District’s General Fund annual operating expenditures.

16. Interfund Activity

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

17. Estimates

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

Note B - Cash Equivalents and Investments

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- United States government or Federal agency obligation repurchase agreements.
- Banker’s acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.
- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school district in Michigan.
- Investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a school district in Michigan.

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

Statement of Net Position:	
Governmental activities	<u>\$ 29,884,757</u>

Cash Equivalents

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

1. Lake Osceola Bank

Cash equivalents consist of bank public funds checking and municipal fund accounts.

June 30, 2025 balances are detailed as follows:

Cash equivalents	<u>\$ 3,957,296</u>
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Custodial Credit Risk Related to Bank Deposits

Custodial credit risk is the risk that in the event of bank failure, the District’s deposits may not be returned to the District. Protection of District deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District’s cash equivalents was \$3,957,296, and the bank balance was \$4,593,559. Of the bank balance, \$250,000 was covered by federal depository insurance and \$4,343,559 was uninsured and uncollateralized.

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Investments

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

Surplus Funds Investment Pool Account:

Michigan Liquid Asset Fund Plus (MILAF+) – MAX Class	\$ 13,473,530
Michigan Liquid Asset Fund Plus (MILAF+) – Cash Management	12,453,931
	<u>\$ 25,927,461</u>

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

Custodial Credit Risk Related to Investments

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. The District will minimize custodial credit risk 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. At June 30, 2025, the District had no investments that were subject to custodial credit risk.

Credit Risk Related to Investments

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

Interest Rate Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investments in a single issuer, so that the impact of potential losses from any one type of security or issuer will be minimized. The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security.

Foreign Currency Risk

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Note C - State School Aid/Property Taxes

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

Local property tax revenue in the District, on a per-pupil basis, exceeded the per-pupil "Foundation Allowance" by which unrestricted State revenues are typically passed through to Michigan school districts, and Baldwin Community Schools was considered "out-of-formula" for the 2024-25 school year. Because of this the District did not receive the per-pupil Foundation Allowance and instead received categorical funding and MPERS-related payments that generated \$61,506,956 in State aid payments for 426 "Full Time Equivalent" students, based on pupil membership counts completed in February and October of 2024. The District serves as a pass-through entity for the distribution of funds to the Department of Health and Human Services, activity for which is reflected in its Teen Health Special Revenue Fund and accounted for \$58,950,000 during the fiscal year. Of the total State aid payments received, \$5,962,813 was paid to the District in July and August 2025 and included in "Due From Other Governmental Units" of the General Fund, and the Teen Health and Food Service Special Revenue Funds of the District.

Property taxes for the District are levied December 1 (the tax lien dates) by the Townships of Cherry Valley, Eden, Elk, Lake, Newkirk, Peacock, Pleasant Plains, Sauble, Sweetwater, Webber, Yates, Lilley, and Merrill due 75 days after the levy date. The taxes are then collected by each governmental unit and remitted to the District. The Counties of Lake and Newaygo, through its Delinquent Tax Revolving Fund, advances all delinquent real property taxes at March 1 to the District each year prior to June 30.

Section 1211(1) of 1993 PA 32 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill "Local Enhancement Millage" which must be shared between all local districts in each respective county intermediate district.

As Baldwin Community Schools' electors had previously (November 2012), approved a twenty-two-year operating millage extension, the 18 mill non-homestead property tax was levied in the District for 2024.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

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

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

For the year ended June 30, 2025, there were no businesses within the District’s boundaries with an active IFE certificate.

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Note D – Interfund Receivables/Payables and Transfers

Amounts due from (to) other funds, representing interfund receivables and payables for year-end expenditure allocations not reimbursed at June 30, 2025 are detailed as follows:

	<u>Due From</u>	<u>Due To</u>
Major Funds		
General Fund:		
Food Service	\$ 76,637	\$ -
Capital Improvements	26,980	-
Capital Projects Funds:		
2025 Construction:		
2025 Debt	-	372,007
	<u>103,617</u>	<u>372,007</u>
Total Major Funds	103,617	372,007
Nonmajor Funds		
Special Revenue Funds:		
Food Service:		
General Fund	-	76,637
Debt Service Funds:		
2025 Debt:		
2025 Construction	372,007	-
Capital Project Funds:		
Capital Improvements:		
General Fund	-	26,980
	<u>372,007</u>	<u>103,617</u>
Total Nonmajor Funds	372,007	103,617
	<u>\$ 475,624</u>	<u>\$ 475,624</u>

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

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

	Transfers In	Transfers Out
Major Funds		
General Fund:		
Capital Improvement	\$ 26,980	\$ -
Capital Project Funds:		
2025 Construction:		
Debt Service Fund:		
2025 Debt	-	372,007
Total Major Funds	<u>26,980</u>	<u>372,007</u>
Nonmajor Funds		
Debt Service Fund:		
2025 Debt:		
2025 Construction	372,007	-
Capital Project Funds:		
Capital Improvement:		
General Fund	-	26,980
Total Nonmajor Funds	<u>372,007</u>	<u>26,980</u>
Total All Funds	<u>\$ 398,987</u>	<u>\$ 398,987</u>

The transfer from the 2025 Construction Capital Projects Fund to the 2025 Debt Service Fund represents capitalized interest associated with the 2025 Building and Site bond issuance. The transfer from the Capital Improvement Capital Projects Fund to the General Fund was for purposes of closing out the fund.

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Note E - Capital Assets

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

	Balances July 1, 2024	Additions	Deductions	Balances June 30, 2025
Capital assets not being depreciated:				
Land	\$ 167,500	\$ -	\$ -	\$ 167,500
Construction in progress	-	521,994	-	521,994
Total capital assets not being depreciated	<u>167,500</u>	<u>\$ 521,994</u>	<u>\$ -</u>	<u>689,494</u>
Capital assets being depreciated:				
Buildings and improvements	14,767,086	\$ -	\$ -	14,767,086
Buses and other vehicles	316,309	71,615	-	387,924
Furniture and equipment	1,771,996	130,592	-	1,902,588
Total capital assets being depreciated	<u>16,855,391</u>	<u>\$ 202,207</u>	<u>\$ -</u>	<u>17,057,598</u>
Less accumulated depreciation for:				
Buildings and improvements	8,780,411	\$ 261,372	\$ -	9,041,783
Buses and other vehicles	214,649	34,451	-	249,100
Furniture and equipment	1,493,555	46,398	-	1,539,953
Total accumulated depreciation	<u>10,488,615</u>	<u>\$ 342,221</u>	<u>\$ -</u>	<u>10,830,836</u>
Total capital assets being depreciated, net	<u>6,366,776</u>			<u>6,226,762</u>
Net Capital Assets	<u>\$ 6,534,276</u>			<u>\$ 6,916,256</u>

Depreciation expense for year ended June 30, 2025 was \$342,221. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Note F - Long-Term Obligations

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

	Debt Outstanding July 1, 2024	Adjustment*	Debt Added	Debt Retired	Debt Outstanding June 30, 2025
General obligation bonds:					
2025 Building and Site	\$ -	\$ -	\$ 12,990,000	\$ -	\$ 12,990,000
Bond premium	-	-	777,407	-	777,407
Compensated absences	119,371	80,651	-	16,179	183,843
	<u>\$ 119,371</u>	<u>\$ 80,651</u>	<u>\$ 13,767,407</u>	<u>\$ 16,179</u>	<u>\$ 13,951,250</u>

*See Note L - Change in Accounting Estimate

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

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligations				
\$12,990K Building and Site, February 19, 2025:				
Annual maturities of \$110k to \$1,750k	May 1, 2049	4 -5%	\$ 12,990,000	\$ 1,750,000
Bond premium			777,407	32,392
Other Obligations				
Compensated absences			183,843	9,000
			<u>\$ 13,951,250</u>	<u>\$ 1,791,392</u>

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

The annual requirements to pay principal and interest on long-term bonds are as follows:

Years Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2026	\$ 1,750,000	\$ 672,282	\$ 2,422,282
2027	110,000	530,550	640,550
2028	320,000	526,150	846,150
2029	335,000	513,350	848,350
2030	355,000	499,950	854,950
2031	375,000	485,750	860,750
2032	390,000	470,750	860,750
2033	405,000	455,150	860,150
2034	420,000	438,950	858,950
2035	435,000	422,150	857,150
2036	455,000	404,750	859,750
2037	480,000	382,000	862,000
2038	505,000	358,000	863,000
2039	530,000	332,750	862,750
2040	555,000	306,250	861,250
2041	585,000	278,500	863,500
2042	590,000	249,250	839,250
2043	620,000	219,750	839,750
2044	625,000	188,750	813,750
2045	630,000	157,500	787,500
2046	630,000	126,000	756,000
2047	630,000	94,500	724,500
2048	630,000	63,000	693,000
2049	630,000	31,500	661,500
	<u>\$ 12,990,000</u>	<u>\$ 8,207,532</u>	<u>\$ 21,197,532</u>

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Note G – Retirement Plan

Plan Description

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

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

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

The System's financial statements are available at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The age and service requirements range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by .50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age. The System also provides disability and survivor benefits to DB plan members.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

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

Contributions

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

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

The schedule below summarizes pension contribution rates in effect for the plan fiscal year ended September 30, 2024.

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

The District's contributions to MPSERS under all pension plans for the year ended June 30, 2025 inclusive of the MSPERS UAAL Stabilization, totaled \$1,733,256.

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

As of June 30, 2025, the District reported a liability of \$9,931,120 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2023. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the System during the measurement period by the percent of the pension contributions required from all applicable employers during the measurement period. As of September 30, 2024 the District's proportion was 0.04056496%, which was an increase from 0.03849409% at September 30, 2023.

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

For the year ended June 30, 2025 the District recognized pension expense of \$1,088,201. As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 269,438	\$ 107,903
Changes of assumptions	1,035,378	727,637
Net difference between projected and actual earnings on pension plan investments	—	1,895,279
Changes in proportion and differences between District contributions and proportionate share of contributions	872,340	83,304
District contributions subsequent to the measurement date*	1,602,584	—
Total	\$ 3,779,740	\$ 2,814,123

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

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

Years Ending June 30	Amount
2026	\$ (4,746)
2027	324,382
2028	(523,847)
2029	(432,756)

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2023
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	
MIP and Basic Plans:	6.00% net of investment expenses
Pension Plus Plan:	6.00% net of investment expenses
Pension Plus 2:	6.00% net of investment expenses
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Cost-of-Living Adjustments:	3% annual non-compounded for MIP members
Mortality:	
Retirees:	PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Active Members:	PubT-2010 Male and Female Employee Mortality Tables scaled by 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2024 is based on the results of an actuarial valuation date of September 30, 2023 and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.4612 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2024 MPSERS Annual Comprehensive Financial Report found on the ORS website at (www.michigan.gov/orsschools).

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Long-Term Expected Rate of Return on Plan Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.3%
Private Equity Pools	16.0%	9.6%
International Equity Pools	15.0%	6.5%
Fixed Income Pools	13.0%	2.2%
Real Estate and Infrastructure Pools	10.0%	7.1%
Absolute Return Pools	9.0%	5.2%
Real Return/Opportunistic Pools	10.0%	6.9%
Short-term Investment Pools	2.0%	1.4%
Total	100.0%	

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

Rate of Return

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

Discount Rate

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus Plan, 6.00% for the Pension Plus 2 Plan, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus Plan, 6.00% for the Pension Plus 2 plan). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
District's proportionate share of the net pension liability	\$ 14,559,129	\$ 9,931,120	\$ 6,077,413

Michigan Public School Employees' Retirement System (MPERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Michigan Public School Employees' Retirement System September 30, 2024 Annual Comprehensive Financial Report, available here: (www.michigan.gov/orsschools).

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

Payables to the pension plan totaling \$239,522 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources. The payables are included in the "Due to Other Governmental Units" at June 30, 2025.

Note H – Other Postemployment Benefits

Plan Description

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

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

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

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Benefits Provided

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

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

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

Contributions

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2024:

OPEB Contribution Rates:

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

Required contributions to the OPEB plan from the District were \$82,112 for the year ended June 30, 2025.

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

As of June 30, 2025, the District reported an asset of \$1,740,180 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2023. The District's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the System during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. As of September 30, 2024 the District's proportion was 0.04042796% which was an increase from 0.04003927% at September 30, 2023.

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

For the year ended June 30, 2025, the District recognized OPEB credit of \$628,520. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ 1,844,060
Changes of assumptions	380,080	43,687
Net difference between projected and actual earnings on OPEB plan investments	—	329,436
Changes in proportion and differences between District contributions and proportionate share of contributions	148,178	22,487
District contributions subsequent to the measurement date*	30,467	—
Total	\$ 558,725	\$ 2,239,670

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows: [info to complete this chart is found on Deferred Outflows-Inflows – OPEB tab]

Years Ending June 30	Amount
2026	\$ (567,171)
2027	(325,461)
2028	(326,974)
2029	(296,635)
2030	(162,433)
Thereafter	(32,738)

Actuarial Assumptions

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2023
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	6.00% net of investment expense
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Healthcare Cost Trend Rate:	Pre-65 - 7.25% Year 1 graded to 3.5% Year 15 Post-65 - 6.50% Year 1 graded to 3.5% Year 15

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

Active Members: PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Other Assumptions:

Opt Out Assumptions:	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage:	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage Election at Retirement:	75% of male and 60% of female future retirees are assumed to elect coverage for one or more dependents.

Notes:

- Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2023 valuation. The total OPEB liability as of September 30, 2024 is based on the results of an actuarial valuation date of September 30, 2023 and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [6.2834 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2024 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Long-Term Expected Rate of Return on Plan Investments

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2024, are summarized in the following table:

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

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

Rate of Return

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

Discount Rate

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

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
District's proportionate share of the net OPEB liability (asset)	\$ (1,344,826)	\$ (1,740,180)	\$ (2,082,006)

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

The following presents the District's proportionate share of the net OPEB liability (asset) calculated using assumed trend rates, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher: [info to complete this chart is found on ORS Table - OPEB tab]

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability (asset)	\$ (2,082,010)	\$ (1,740,180)	\$ (1,373,570)

OPEB Plan Fiduciary Net Position

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

Payables to the OPEB Plan

Payables to the OPEB plan totaling \$4,170 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources. The payables are included in the "Due to Other Governmental Units" at June 30, 2025.

NOTES TO BASIC FINANCIAL STATEMENTS

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Note I - Risk Management and Employee Benefits

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The District has purchased commercial insurance for property loss, errors and omissions, workers' compensation, health benefits, and dental and vision benefits provided to employees. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage in fiscal 2024-25, and as of year ended June 30, 2025, there were no material pending claims against the District.

Note J - Related-Party Transactions

The District purchases security monitoring services from Brooks Security that is owned and operated by a relative of a Board member. The Board member abstains from voting on items relating to Brooks Security. For the year ended June 30, 2025, the District spent \$60,210 for security monitoring equipment and services.

Note K - Commitments

On February 19, 2025, the District issued \$12,990,000 of general obligation 2025 Building and Site bonds, for which proceeds are being used for building renovations and additions, land improvements, and furniture and equipment purchases. At June 30, 2025, unspent balances committed to these construction projects totaled \$12,856,191 and are expected to be fully expended by the year ended June 30, 2028.

Note L - Change in Accounting Estimate

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

This change, which enhances the accuracy and consistency of the District's financial reporting, led to an increase of \$80,651 to the compensated absences liability reported in the government-wide financial statements.

Note M - Change within the Financial Reporting Entity

The governmental fund financial statements now include the 2025 Construction Capital Projects Fund as a result of the issuance of bonds for future capital improvements.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023
District's proportion of net pension liability	0.04056496%	0.03849409%	0.03679340%
District's proportionate share of net pension liability	\$ 9,931,120	\$ 12,459,023	\$ 13,837,527
District's covered-employee payroll	\$ 4,678,158	\$ 4,143,264	\$ 3,842,241
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	212.29%	300.71%	360.14%
Plan fiduciary net position as a percentage of total pension liability	74.44%	65.91%	60.77%

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

**BALDWIN COMMUNITY SCHOOLS
June 30, 2025**

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016
District's proportion of net pension liability	0.03576196%	0.03566367%	0.03676924%	0.03900317%	0.03961640%	0.04006808%	0.04341296%
District's proportionate share of net pension liability	\$ 8,466,792	\$ 12,250,859	\$ 12,176,736	\$ 11,725,057	\$ 10,266,293	\$ 9,996,658	\$ 10,603,627
District's covered-employee payroll	\$ 3,705,202	\$ 3,377,664	\$ 3,153,459	\$ 3,272,304	\$ 3,473,341	\$ 3,471,181	\$ 3,063,177
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	228.51%	362.70%	386.14%	358.31%	295.57%	287.99%	346.16%
Plan fiduciary net position as a percentage of total pension liability	72.60%	59.72%	60.08%	62.12%	63.96%	63.27%	63.17%

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

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023
District's proportion of the net OPEB liability (asset)	0.04042796%	0.04003927%	0.03653240%
District's proportionate share of net OPEB liability (asset)	\$ (1,740,180)	\$ (226,502)	\$ 773,779
District's covered-employee payroll	\$ 4,678,158	\$ 4,143,264	\$ 3,842,241
District's proportionate share of net OPEB liability (asset) as a percentage of its covered-employee payroll	(37.20%)	(5.47%)	20.14%
Plan fiduciary net position as a percentage of total OPEB liability (asset)	143.08%	105.04%	83.09%

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

Note: GASB Statement 75 was implemented in fiscal year 2018. This schedule is being built prospectively.
Ultimately, 10 years of data will be presented.

**BALDWIN COMMUNITY SCHOOLS
June 30, 2025**

Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
0.03610880%	0.03539114%	0.03571282%	0.03834448%	0.03957655%
\$ 551,157	\$ 1,895,998	\$ 2,563,376	\$ 3,047,984	\$ 3,504,690
\$ 3,705,202	\$ 3,377,664	\$ 3,153,459	\$ 3,272,304	\$ 3,473,341
14.88%	56.13%	81.29%	93.14%	100.90%
87.33%	59.76%	48.67%	43.10%	36.53%

**SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
MPSERS COST-SHARING, MULTIPLE-EMPLOYER PLAN**

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023
Contractually required contribution	\$ 1,733,256	\$ 1,696,464	\$ 1,334,450
Contributions in relation to contractually required contribution	<u>1,733,256</u>	<u>1,696,464</u>	<u>1,334,450</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,853,969	\$ 4,508,051	\$ 4,218,841
Contributions as a percentage of covered employee payroll	35.71%	37.63%	31.63%

**BALDWIN COMMUNITY SCHOOLS
June 30, 2025**

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016
	\$ 1,212,880	\$ 1,096,597	\$ 950,073	\$ 1,140,033	\$ 954,772	\$ 899,750	\$ 837,492
	<u>1,212,880</u>	<u>1,096,597</u>	<u>950,073</u>	<u>1,140,033</u>	<u>954,772</u>	<u>899,750</u>	<u>837,492</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	\$ 3,861,799	\$ 3,708,258	\$ 3,287,666	\$ 3,131,168	\$ 3,279,967	\$ 3,471,181	\$ 3,063,177
	31.41%	29.57%	28.90%	36.41%	29.11%	25.92%	27.34%

**SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
MPSERS COST-SHARING, MULTIPLE-EMPLOYER PLAN**

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023
Contractually required contribution	\$ 82,112	\$ 355,337	\$ 328,860
Contributions in relation to contractually required contribution	82,112	355,337	328,860
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 4,853,969	\$ 4,508,051	\$ 4,218,841
Contributions as a percentage of covered-employee payroll	1.69%	7.88%	7.80%

Note: GASB Statement 75 was implemented in fiscal year 2018. This schedule is being built prospectively.
Ultimately, 10 years of data will be presented.

**BALDWIN COMMUNITY SCHOOLS
June 30, 2025**

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
	\$ 298,920	\$ 271,843	\$ 223,806	\$ 276,788	\$ 304,107
	298,920	271,843	223,806	276,788	304,107
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 3,861,799	\$ 3,708,258	\$ 3,287,666	\$ 3,131,168	\$ 3,279,967
	7.74%	7.33%	6.81%	8.84%	9.27%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BALDWIN COMMUNITY SCHOOLS
June 30, 2025

Note A - Net Pension Liability and Contributions

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

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

Note B - Net OPEB Liability (Asset) and Contributions

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

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

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APPENDIX D
FORM OF APPROVING OPINION

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FORM OF APPROVING OPINION

Baldwin Community Schools Counties of Lake and Newaygo State of Michigan

We have acted as bond counsel to the Baldwin Community Schools, Counties of Lake and Newaygo, State of Michigan (the “Issuer”) in connection with the issuance by the Issuer of bonds in the aggregate principal sum of \$_____, designated 2026 School Building and Site Bonds (Unlimited Tax General Obligation) (the “Bonds”). In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of \$5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of August __, 2026, payable as to principal and interest as provided in the Bonds. The Bonds are subject to redemption prior to maturity as set forth in the Bonds.

As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us.

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

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding obligations of the Issuer.
2. All taxable property within the boundaries of the Issuer is subject to taxation for payment of the Bonds, without limitation as to rate or amount.
3. The interest on the Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. Further, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The opinions set forth in this paragraph are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal and

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Baldwin Community Schools

-2-

FORM OF APPROVING OPINION

Michigan income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds.

Except as stated in paragraph 3 above, we express no opinion regarding other federal or State tax consequences arising with respect to the Bonds and the interest thereon.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX E
FORM OF CONTINUING DISCLOSURE UNDERTAKING

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FORM OF CONTINUING DISCLOSURE UNDERTAKING

§ _____
BALDWIN COMMUNITY SCHOOLS
COUNTIES OF LAKE AND NEWAYGO, STATE OF MICHIGAN
2026 SCHOOL BUILDING AND SITE BONDS
(UNLIMITED TAX GENERAL OBLIGATION)

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the Baldwin Community Schools, Counties of Lake and Newaygo, State of Michigan (the “Issuer”) in connection with the issuance of its 2026 School Building and Site Bonds (Unlimited Tax General Obligation) (the “Bonds”). The Issuer covenants and agrees for the benefit of the Bondholders, as hereinafter defined, as follows:

(a) *Definitions.* The following terms used herein shall have the following meanings:

“Audited Financial Statements” means the annual audited financial statement pertaining to the Issuer prepared by an individual or firm of independent certified public accountants as required by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

“Bondholders” shall mean the registered owner of any Bond or any person (a) with the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including any person holding a Bond through a nominee, depository or other intermediary) or (b) treated as the owner of any Bond for federal income tax purposes.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access System or such other system, Internet Web Site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

“Financial Obligation” means “financial obligation” as such term is defined in the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the date of this Undertaking which are applicable to this Undertaking.

“SEC” means the United States Securities and Exchange Commission.

(b) *Continuing Disclosure.* The Issuer hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA on or before the last day of the sixth month after the end of the fiscal year of the Issuer the following annual financial information and operating data, commencing with the fiscal year ended June 30, 2026 in an electronic format as prescribed by the MSRB:

(1) Certain annual financial information and operating data reasonably available to the School District in the form and substance similar to the information contained in the official statement of the School District relating to the Bonds (the “Official Statement”) appearing in the Tables in the Official Statement as described below:

- a. ENROLLMENT – Historical Enrollment;
- b. STATE AID PAYMENTS;
- c. PROPERTY VALUATIONS – History of Valuations;
- d. MAJOR TAXPAYERS;
- e. SCHOOL DISTRICT TAX RATES – (per \$1,000 of Valuation);
- f. TAX LEVIES AND COLLECTIONS;
- g. RETIREMENT PLAN – Contribution to MPSERS;
- h. LABOR RELATIONS;
- i. DEBT STATEMENT – DIRECT DEBT; and
- j. GENERAL FUND BUDGET SUMMARY, current year only, in Appendix B.

(2) The Audited Financial Statements. Provided, however, that if the Audited Financial Statements are not available by the date specified above, they shall be provided when available and unaudited financial statements will be filed by such date and the Audited Financial Statements will be filed as soon as available.

Such annual financial information and operating data described above are expected to be provided directly by the School District or by specific reference to other documents available to the public through EMMA or filed with the SEC, including official statements of debt issues of the School District or related public entities.

If the fiscal year of the Issuer is changed, the Issuer shall send a notice of such change to the MSRB through EMMA, prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

(c) *Notice of Failure to Disclose.* The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the Issuer to provide the annual financial information with respect to the Issuer described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events.* The Issuer agrees to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds:

- (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 Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of holders of the Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; or
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(e) *Materiality Determined Under Federal Securities Laws.* The Issuer agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Termination of Reporting Obligation.* The obligation of the Issuer to provide annual financial information and notices of material events, as set forth above, shall be terminated if and when the Issuer no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all Bonds.

(g) *Identifying Information.* All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(h) *Benefit of Bondholders.* The Issuer agrees that its undertaking pursuant to the Rule, set forth in this Undertaking, is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the Issuer’s obligations hereunder and any failure by the Issuer to comply with the provisions of this Undertaking shall not constitute a default or an event of default with respect to the Bonds.

(i) *Amendments to the Undertaking.* Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the Issuer, provided that the Issuer agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer or the type of activities conducted thereby, (b) the undertaking, as amended, 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, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the Issuer (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the Issuer in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. A notice of the change in accounting principles shall be sent to the MSRB through EMMA.

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IN WITNESS WHEREOF, the School District has caused this Undertaking to be executed by its authorized officer.

BALDWIN COMMUNITY SCHOOLS
Counties of Lake and Newaygo
State of Michigan

By: _____

Its: _____

Dated: August ____, 2026

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