

# City of Coopersville

Ottawa County, Michigan

Annual Financial Report

Year Ended June 30, 2022



**Kiekover, Scholma & Shumaker, PC**  
*Certified Public Accountants and Consultants*

**CITY OF COOPERSVILLE  
OTTAWA COUNTY, MICHIGAN  
ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2022**

**KIEKOVER, SCHOLMA & SHUMAKER, PC  
Certified Public Accountants  
Zeeland, Michigan**

**City of Coopersville, Michigan**  
**ANNUAL FINANCIAL REPORT**  
**Year Ended June 30, 2022**

TABLE OF CONTENTS

	Page
<b>Independent Auditor’s Report</b> .....	I
<b>Management’s Discussion and Analysis</b> .....	III
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position .....	1
Statement of Activities .....	2
Governmental Fund Financial Statements	
Balance Sheet .....	3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	4
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	6
Proprietary Fund Financial Statements	
Statement of Net Position .....	7
Statement of Revenues, Expenses, and Changes in Net Position .....	8
Statement of Cash Flows .....	9
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position .....	10
Statement of Changes in Fiduciary Net Position .....	11
Notes to Financial Statements .....	12

**City of Coopersville, Michigan  
ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2022**

TABLE OF CONTENTS - Concluded

	Page
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule – General Fund .....	30
Defined Benefit Pension Plan Schedule of Changes in Net Pension Liability and Related Ratios .....	32
Defined Benefit Pension Plan Schedule of Contributions.....	33
<b>Additional Supplementary Information</b>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	34
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	35
Discretely Presented Component Unit – Downtown Development Authority	
Balance Sheet.....	36
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	37



# Kiekoer Scholma & Shumaker PC

Certified Public Accountants

---

## INDEPENDENT AUDITOR'S REPORT

November 9, 2022

City Council  
City of Coopersville, Michigan

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Coopersville, Michigan, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Coopersville, Michigan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Coopersville, Michigan, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof 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. 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 City of Coopersville, Michigan, 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 City of Coopersville, Michigan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, 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 City of Coopersville, Michigan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Coopersville, Michigan's ability to continue as a going concern for a reasonable period of time.

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

#### ***Required Supplementary Information***

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

#### ***Supplementary Information***

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

*Kiekover, Scholma & Shumaker, PC*  
Zeeland, Michigan

## Management's Discussion and Analysis

As management of the City of Coopersville, Michigan, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the City's financial statements that follow this section.

### Financial Highlights

- The assets and deferred outflows of resources of the City of Coopersville exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$35,456,339 (*net position*). Of this amount, \$12,057,943 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2,272,676. Net investment in capital assets increased by \$1,260,584, while restricted net position decreased by \$4,946, and unrestricted net position increased by \$1,017,038.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,312,970, an increase of \$818,712 in comparison with the prior year. Approximately 52% of this total amount, \$2,225,170, is *available for spending* at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of *committed*, *assigned* and *unassigned* components of fund balance) for the general fund was \$2,779,000 or 92% of total general fund expenditures and transfers out.
- The City's total debt decreased by \$821,332 (15%) during the current fiscal year as a result of the City making its required scheduled debt service payments.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

*The statement of net position* presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Coopersville is improving or deteriorating.

*The statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued interest payable).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community and economic development, and recreation and culture. The business-type activities of the City include water supply and sewage disposal operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Downtown Development Authority for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 1-2 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories, governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. The City of Coopersville has five nonmajor funds. These include four special revenue funds and a debt service fund. Data from the other five governmental funds are combined into a single aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and all special revenue funds. Budgetary comparison statements have been provided herein to demonstrate compliance with budgets for the City's General Fund and major special revenue funds (if any).

The basic governmental fund financial statements can be found on pages 3-6 of this report.

**Proprietary funds.** The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water supply and sewage disposal operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the rental of machinery, equipment, and vehicles to other departments, and related costs. Because these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of the internal service fund have been included within *governmental activities* in the government-wide statement of net position.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Supply System and Sewage Disposal System Funds, both of which are considered to be major funds of the City. The proprietary fund financial statements also provide separate information for the internal service fund.

The basic proprietary fund financial statements can be found on pages 7-9 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds. The City accounts for one type of fiduciary funds – custodial funds.

The City maintains two custodial funds to account for tax collections and the escrow deposits.

The basic fiduciary fund financial statements can be found on pages 10-11 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-29 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* presenting budgetary comparison schedules for the City's General Fund and major special revenue funds (if any), a Defined Benefit Pension Plan Schedule of Changes in Net Pension Liability, and a Defined Benefit Pension Plan Schedule of Contributions. Required supplementary information can be found on pages 30-33 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information and can be found on pages 34-35 of this report. Statements for the discretely presented component unit are also presented immediately following the required supplementary information and can be found on pages 36-37 of this report.

**Financial Analysis of the City as a Whole**

**Net Position** - As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Coopersville, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,456,339 at the close of the most recent fiscal year.

The largest portion of the City’s net position (65.2%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net position (0.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$12,057,943 is unrestricted and may be used to meet the City’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The following table shows, in a condensed format, the net position of the City of Coopersville as of June 30, 2022 and 2021:

**City of Coopersville's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 4,695,457	\$ 3,795,304	\$ 10,281,715	\$ 9,156,485	\$ 14,977,172	\$ 12,951,789
Capital assets	3,593,086	3,706,218	24,100,381	23,547,997	27,693,467	27,254,215
Total assets	8,288,543	7,501,522	34,382,096	32,704,482	42,670,639	40,206,004
Deferred outflows of resources	278,769	243,467	79,537	74,585	358,306	318,052
Long-term debt	-	-	4,571,331	5,392,663	4,571,331	5,392,663
Net pension liability	786,303	761,422	224,345	233,258	1,010,648	994,680
Other liabilities	175,169	213,261	1,600,472	623,318	1,775,641	836,579
Total liabilities	961,472	974,683	6,396,148	6,249,239	7,357,620	7,223,922
Deferred inflows of resources	167,264	89,158	47,722	27,313	214,986	116,471
Net position:						
Net investment in capital assets	3,593,086	3,706,218	19,529,050	18,155,334	23,122,136	21,861,552
Restricted	276,260	281,206	-	-	276,260	281,206
Unrestricted	3,569,230	2,693,724	8,488,713	8,347,181	12,057,943	11,040,905
Total net position	\$ 7,438,576	\$ 6,681,148	\$ 28,017,763	\$ 26,502,515	\$ 35,456,339	\$ 33,183,663

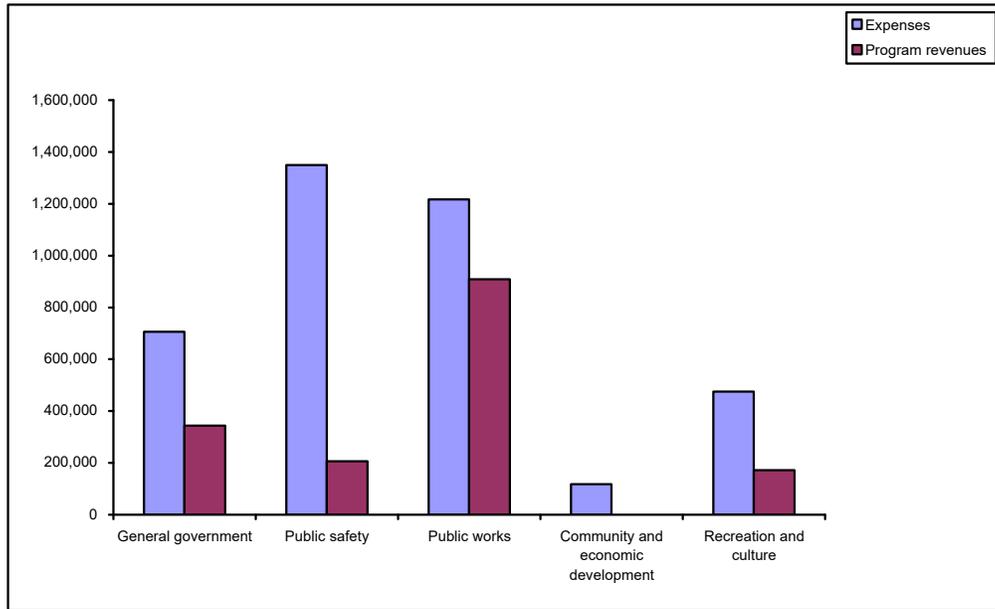
**Change in Net Position** – Following is a summary of the City’s change in net position for the fiscal years ended June 30, 2022 and 2021:

**City of Coopersville's Changes in Net Position**

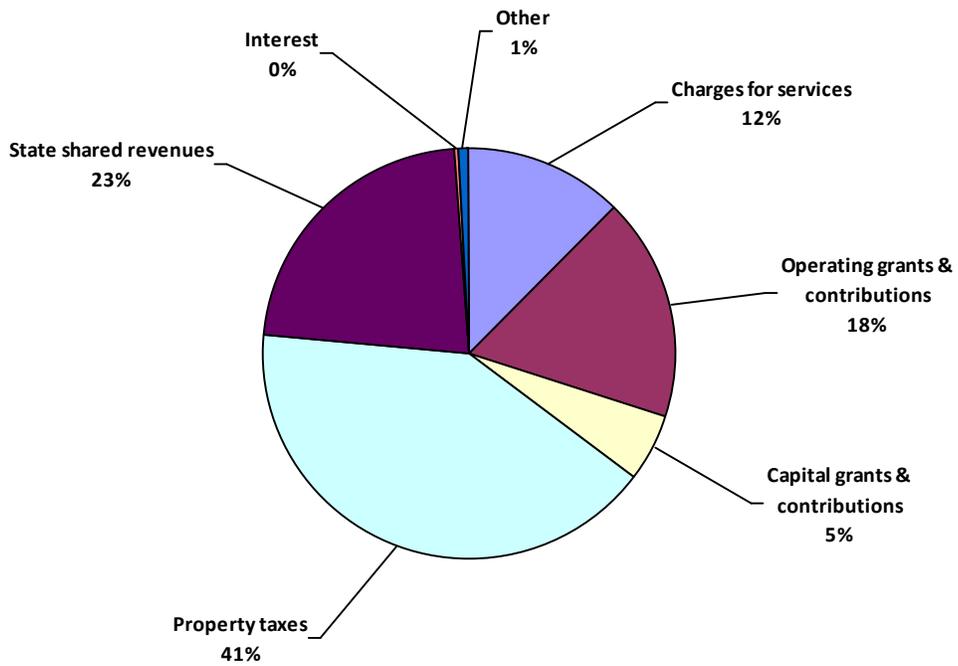
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Program revenues</b>						
Charges for services	\$ 575,108	\$ 408,448	\$ 6,029,335	\$ 5,438,315	\$ 6,604,443	\$ 5,846,763
Operating grants and contributions	809,769	778,699	-	-	809,769	778,699
Capital grants and contributions	245,050	289,338	383,499	1,633,561	628,549	1,922,899
<b>General revenues</b>						
Property taxes	1,899,941	1,836,738	625	625	1,900,566	1,837,363
State shared revenues	1,043,114	880,677	-	-	1,043,114	880,677
Interest	6,827	3,637	14,072	10,076	20,899	13,713
Gain (loss) on sale of capital assets	-	-	-	(69,269)	-	(69,269)
Other	43,373	41,764	73,236	51,218	116,609	92,982
<b>Total revenues</b>	<b>4,623,182</b>	<b>4,239,301</b>	<b>6,500,767</b>	<b>7,064,526</b>	<b>11,123,949</b>	<b>11,303,827</b>
<b>Program expenses</b>						
General government	706,570	624,353	-	-	706,570	624,353
Public safety	1,349,603	1,371,003	-	-	1,349,603	1,371,003
Public works	1,216,921	1,723,576	-	-	1,216,921	1,723,576
Community and economic development	117,772	112,837	-	-	117,772	112,837
Recreation and culture	474,888	390,373	-	-	474,888	390,373
Other	-	34,281	-	-	-	34,281
Water supply	-	-	1,813,528	1,884,563	1,813,528	1,884,563
Sewage disposal	-	-	3,171,991	2,855,796	3,171,991	2,855,796
<b>Total expenses</b>	<b>3,865,754</b>	<b>4,256,423</b>	<b>4,985,519</b>	<b>4,740,359</b>	<b>8,851,273</b>	<b>8,996,782</b>
<b>Change in net position</b>	<b>\$ 757,428</b>	<b>\$ (17,122)</b>	<b>\$ 1,515,248</b>	<b>\$ 2,324,167</b>	<b>\$ 2,272,676</b>	<b>\$ 2,307,045</b>

**Governmental activities.** Governmental activities increased the City’s net position by \$757,428 or 11.3% from the prior fiscal year. Total revenues increased by \$383,881 compared to the prior year, due primarily to increases in charges for services, operating grants and contributions, property taxes, and state shared revenues. Total expenses decreased by \$390,669 compared to the prior year, primarily due to decreased costs for public safety and public works.

***Expenses and Program Revenues – Governmental Activities***

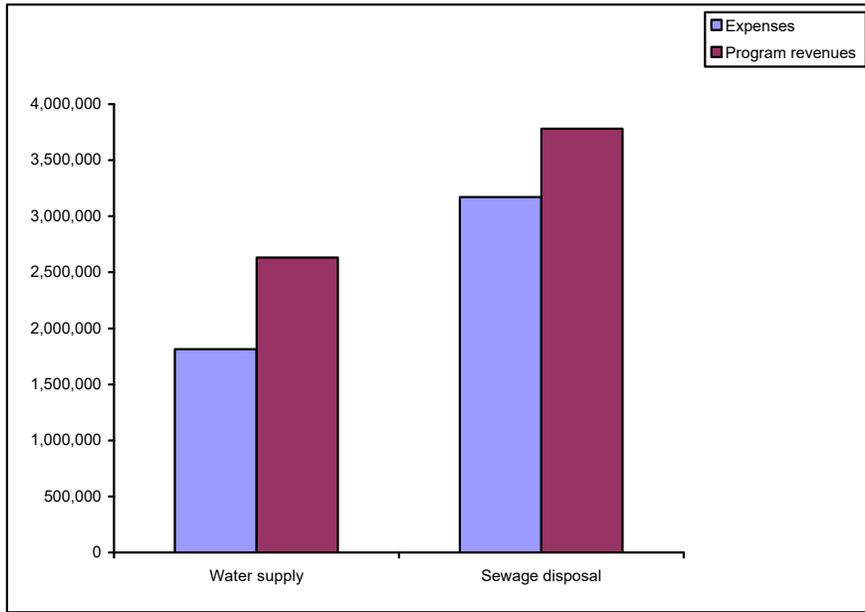


***Revenues by Source – Governmental Activities***

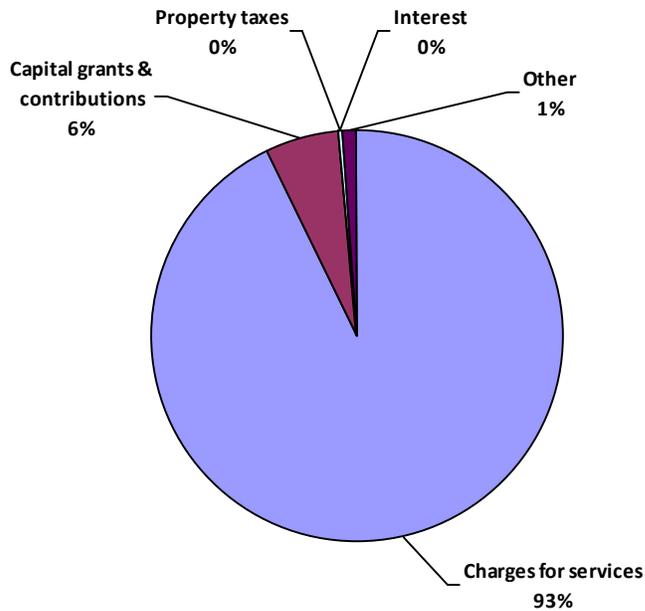


**Business-type activities.** The total increase in net position for the business-type activities of the City was \$1,515,248 or 5.7% from the prior fiscal year. Revenues decreased by \$563,759 due primarily to grant revenue for the water system project and related contributions from local units in the prior year. Operating expenses increased by \$245,160 from the prior year due to increased costs for sewage disposal.

***Expenses and Program Revenues-Business-type Activities***



***Revenues by Source – Business-type Activities***



### **Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** – The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited for use by either an external party or the City of Coopersville itself.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,312,970, An increase of \$818,712 from the prior year. Approximately 52% of this fund balance amount (\$2,225,170) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is either *non-spendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$9,933), 2) legally required to be maintained in tact (\$0), 3) restricted for particular purposes (\$276,260), 4) committed for particular purposes (\$0), or 5) assigned for particular purposes (\$1,801,607).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,225,170. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures and transfers out. Unassigned fund balance represents 73.7% of total General Fund expenditures and transfers out, while total fund balance represents 99.7% of the same amount.

The fund balance of the City's General Fund increased by \$428,762 during the current fiscal year. Total revenue sources increased by \$303,820 or 9.7%, primarily due to increases in property taxes, state shared revenues, and charges for services. General Fund expenditures increased by \$192,242 or 7.6%, primarily due to increases in spending for general government, public works, and recreation and culture. The General Fund also transferred \$285,000 to other funds, with \$250,000 transferred to the Local Street Fund for operating purposes.

**Proprietary funds** – The City's proprietary funds provide the same type of information found in the government-wide financial statements (business-type activities), but in more detail.

Unrestricted net position of the Water Supply System and Sewage Disposal System Funds at the end of the year amounted to \$3,428,916 and \$4,802,469, respectively. Changes in the Water Supply System and Sewage Disposal System Funds' net positions during the current year were increases of \$822,735 and \$680,295, respectively. Factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

**General Fund Budgetary Highlights**

Over the course of the year, the City Council amended the budget to take into account events during the year. The most significant changes were increases of \$25,000 in public safety expenditures relating to a high level of building activity in the City. Revenues exceeded budgeted amounts by \$412,691, while City operational departments stayed below budget individually and overall, resulting in total expenditures \$609,816 below the final budget.

**Capital Assets and Debt Administration**

**Capital assets.** The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounted to \$27,693,467 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, and street and sidewalks.

Major capital asset events during the current fiscal year included the following:

- \$ 502,517 for wastewater treatment plant and lift station improvements
- \$ 490,362 for the wastewater treatment plant driveway reconstruction
- \$ 332,485 for water systems
- \$ 232,150 for the north parking lot reconstruction and related improvements
- \$ 43,830 for a new roof on the DPW garage

Additional information on the City’s capital assets can be found in Note 4 of this report.

**City of Coopersville's Capital Assets**  
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 130,051	\$ 130,051	\$ 76,473	\$ 76,473	\$ 206,524	\$ 206,524
Construction in progress	-	-	747,146	2,193,773	747,146	2,193,773
Land improvements	838,557	658,567	505,962	-	1,344,519	658,567
Buildings and improvements	395,174	386,634	-	-	395,174	386,634
Systems	-	-	22,731,910	21,230,361	22,731,910	21,230,361
Machinery, equipment, vehicles	277,990	362,564	38,890	47,390	316,880	409,954
Infrastructure	1,951,314	2,168,402	-	-	1,951,314	2,168,402
<b>Total</b>	<b>\$ 3,593,086</b>	<b>\$ 3,706,218</b>	<b>\$ 24,100,381</b>	<b>\$ 23,547,997</b>	<b>\$ 27,693,467</b>	<b>\$ 27,254,215</b>

**Long-term debt.** At the end of the current fiscal year, the City had total installment debt outstanding of \$4,571,331. Of this amount, \$1,397,000 comprises debt backed by the full faith and credit of the government, while the remaining \$3,174,331 is to be paid from specified revenue sources.

Total outstanding debt decreased by \$821,332 (15.2%) during the current fiscal year. This is the result of the City making its required scheduled debt service payments.

Additional information on the City's long-term debt can be found in Note 6 of this report.

**Pension.** The City's net pension liability amounted to \$1,010,648, an increase of \$15,968 from the prior year. Additional information on the City's net pension liability can be found in Note 10 of this report.

### **Economic Factors Bearing on the City's Future**

The key discussion points remain largely the same for Coopersville this year as they have the past few years. Economic growth and expansion continue which results in local economic stability. Our historical and stable bond rating signified that the City has continued to manage its fiscal policy in a conservative, deliberate, and responsible fashion.

The City of Coopersville is very fortunate to be experiencing healthy economic growth and expansion. The driving underlying factor in City Council, Downtown Development Authority, and Planning Commission meetings continues to be the type of growth that we want to see in Coopersville in the long term and how we continue to facilitate that growth. Coopersville is fortunate in that the City is only fifty percent built out and there are opportunities for new construction to sustain modest general fund revenues without adjustments to our millage rate.

Like all communities, the City of Coopersville does have challenges, but the city is fortunate in that these challenges are related to economic growth and expansion. Continental Dairy Facilities (CDF) and fairlife continue to maintain strong production and product lines. Their success unfortunately continues to present serious challenges for the City of Coopersville's Wastewater Treatment Plant (WWTP).

Discussion still continues between Muskegon County, CDF/fairlife and the City about the feasibility of a sewer force main from Coopersville to the Muskegon County Wastewater Management System. The distance is slightly over 19 miles. Continued discussions will determine if this solution is a viable alternate wastewater site for the City of Coopersville and our significant industrial users. Estimated cost of the project is approximately \$65 million and alternative funding methods are being explored.

Some notable examples of the City's local economic growth include, but not limited to the following:

- The beginning stages of the reconstruction of Greenfield, Sunset, John, Oriole Street(s) to include all of the underground infrastructure.
- The East Gateway continues to make progress. With the completion of the first building site, which houses the new J&H Oil Co., it's anticipated that this project will spur development in the Southeast corridor of the city.
- The reconstruction of the North DDA Parking Lot.
- The Reserves of Coopersville continues to grow. Six new homes were added to the Reserves during the 2021-2022 fiscal year.

**Other significant projects at the Wastewater Treatment Plant include(s):**

- Reconstruction of the Wastewater Treatment Plant's driveway.
- The purchase of a new Neuros 350 hp Blower.
- The removal of over 11 million gallons of biosolids from Sludge Pond No. 2

**Financial – Economic Issues:**

- As has been discussed in years past, more economic diversification will continue to be a desire of the city. Although the City's two largest taxpayers, Continental Dairy Facilities (CDF) and fairlife LLC, are more stable over the long-term and somewhat immune from economic downturns, it's in the best interest of the city to continue to diversify. It is the City's hope that as the development of the East Gateway continues, it will help facilitate that diversification.

The economic outlook for the City of Coopersville continues to remain bright. In essence Coopersville's future remains strong both financially and in the City's desire to improve the quality of life for its residents and businesses owners alike.

The City's General Fund appropriated \$553,830 of its June 30, 2022 fund balance to accommodate a budgeted 2022-2023 deficit.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Treasurer, 289 Danforth St., Coopersville, MI 49404.

# Basic Financial Statements

**City of Coopersville, Michigan**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 4,739,981	\$ 8,627,852	\$ 13,367,833	\$ 243,502
Receivables:				
Accounts	6,490	1,284,232	1,290,722	-
Special assessments	3,851	-	3,851	-
Due from other governments	191,530	-	191,530	-
Internal balances	(257,328)	257,328	-	-
Prepaid items	10,933	-	10,933	-
Contracts receivable	-	112,303	112,303	-
Capital assets not being depreciated	130,051	823,619	953,670	-
Capital assets (net of accumulated depreciation)	<u>3,463,035</u>	<u>23,276,762</u>	<u>26,739,797</u>	<u>-</u>
<b>Total Assets</b>	<u>8,288,543</u>	<u>34,382,096</u>	<u>42,670,639</u>	<u>243,502</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows-pension related	<u>278,769</u>	<u>79,537</u>	<u>358,306</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	175,169	1,482,594	1,657,763	11,468
Accrued liabilities	-	36,584	36,584	-
Deferred revenue	-	81,294	81,294	-
Noncurrent liabilities:				
Long-term debt:				
Due within one year	-	844,331	844,331	-
Due in more than one year	-	3,727,000	3,727,000	-
Net pension liability	<u>786,303</u>	<u>224,345</u>	<u>1,010,648</u>	<u>-</u>
<b>Total Liabilities</b>	<u>961,472</u>	<u>6,396,148</u>	<u>7,357,620</u>	<u>11,468</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows-pension related	<u>167,264</u>	<u>47,722</u>	<u>214,986</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	3,593,086	19,529,050	23,122,136	-
Restricted for:				
Construction code activities	218,641	-	218,641	-
Cemetery operations	57,619	-	57,619	-
Unrestricted	<u>3,569,230</u>	<u>8,488,713</u>	<u>12,057,943</u>	<u>232,034</u>
<b>Total Net Position</b>	<u>\$ 7,438,576</u>	<u>\$ 28,017,763</u>	<u>\$ 35,456,339</u>	<u>\$ 232,034</u>

See Notes to Financial Statements

**City of Coopersville, Michigan**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2022**

Function/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business Type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General government	\$ 706,570	\$ 98,601	\$ -	\$ 245,050	\$ (362,919)	\$ -	\$ (362,919)	
Public safety	1,349,603	86,681	119,039	-	(1,143,883)	-	(1,143,883)	
Public works	1,216,921	221,346	687,513	-	(308,062)	-	(308,062)	
Community and economic development	117,772	-	-	-	(117,772)	-	(117,772)	
Recreation and culture	474,888	168,480	3,217	-	(303,191)	-	(303,191)	
<b>Total Governmental Activities</b>	<u>3,865,754</u>	<u>575,108</u>	<u>809,769</u>	<u>245,050</u>	<u>(2,235,827)</u>	<u>-</u>	<u>(2,235,827)</u>	
<b>Business-type Activities:</b>								
Water supply	1,813,528	2,626,593	-	3,769	-	816,834	816,834	
Sewage disposal	3,171,991	3,402,742	-	379,730	-	610,481	610,481	
<b>Total Business-type Activities</b>	<u>4,985,519</u>	<u>6,029,335</u>	<u>-</u>	<u>383,499</u>	<u>-</u>	<u>1,427,315</u>	<u>1,427,315</u>	
<b>Total Primary Government</b>	<u>\$ 8,851,273</u>	<u>\$ 6,604,443</u>	<u>\$ 809,769</u>	<u>\$ 628,549</u>	<u>(2,235,827)</u>	<u>1,427,315</u>	<u>(808,512)</u>	
<b>Component Unit:</b>								
Downtown Development Authority	<u>\$ 687,137</u>	<u>\$ 12,225</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (674,912)</u>
<b>General revenues:</b>								
Property taxes					1,899,941	625	1,900,566	400,000
State shared revenues					1,043,114	-	1,043,114	-
Interest					6,827	14,072	20,899	349
Gain (loss) on sale of capital assets					-	-	-	-
Other					43,373	73,236	116,609	63,210
<b>Total General Revenues and Transfers</b>					<u>2,993,255</u>	<u>87,933</u>	<u>3,081,188</u>	<u>463,559</u>
<b>Change in Net Position</b>					757,428	1,515,248	2,272,676	(211,353)
<b>Net Position - Beginning</b>					<u>6,681,148</u>	<u>26,502,515</u>	<u>33,183,663</u>	<u>443,387</u>
<b>Net Position - Ending</b>					<u>\$ 7,438,576</u>	<u>\$ 28,017,763</u>	<u>\$ 35,456,339</u>	<u>\$ 232,034</u>

**City of Coopersville, Michigan**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2022**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 3,110,275	\$ 1,262,715	\$ 4,372,990
Receivables:			
Accounts	6,315	175	6,490
Special assessments	-	3,851	3,851
Due from other governments	-	92,696	92,696
Prepaid items	<u>9,933</u>	<u>-</u>	<u>9,933</u>
<b>Total Assets</b>	<u><u>\$ 3,126,523</u></u>	<u><u>\$ 1,359,437</u></u>	<u><u>\$ 4,485,960</u></u>
<b>LIABILITIES</b>			
Accounts payable	<u>\$ 118,949</u>	<u>\$ 50,190</u>	<u>\$ 169,139</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-special assessments	<u>-</u>	<u>3,851</u>	<u>3,851</u>
<b>FUND BALANCES</b>			
Non-spendable:			
Prepaid items	9,933	-	9,933
Restricted for:			
Construction code activities	218,641	-	218,641
Cemetery operations	-	57,619	57,619
Assigned to:			
Subsequent year's budget:			
Fund balance appropriation	553,830	-	553,830
Streets and roads	-	1,186,093	1,186,093
Police services	-	56,374	56,374
Debt service	-	5,310	5,310
Unassigned	<u>2,225,170</u>	<u>-</u>	<u>2,225,170</u>
<b>Total Fund Balances</b>	<u><u>3,007,574</u></u>	<u><u>1,305,396</u></u>	<u><u>4,312,970</u></u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u><u>\$ 3,126,523</u></u>	<u><u>\$ 1,359,437</u></u>	<u><u>\$ 4,485,960</u></u>

**City of Coopersville, Michigan**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2022**

<b>Total Governmental Fund Balances</b>	<b>\$ 4,312,970</b>
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 are not reported in the governmental funds	3,355,439
State shared revenues (sales taxes) collected and held by the State at year end are not considered available to pay for current year expenditures	98,834
Special assessments receivable are expected to be collected over several years and are not available to pay for current year expenditures	3,851
Net pension liability is not due and payable in the current period and is not reported in the governmental funds	(786,303)
Deferred inflows and outflows of resources related to pensions are not reported in the governmental funds	
Deferred outflows of resources related to pensions	278,769
Deferred inflows of resources related to pensions	(167,264)
Internal Service Funds are included as part of governmental activities	<u>342,280</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 7,438,576</u></b>

**City of Coopersville, Michigan**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2022**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues:</b>			
Taxes	\$ 1,899,941	\$ -	\$ 1,899,941
Licenses and permits	96,450	-	96,450
State shared revenues	1,028,645	608,268	1,636,913
Local unit contributions	-	108,245	108,245
Charges for services	374,293	43,269	417,562
Fines and forfeits	2,455	-	2,455
Interest	4,191	2,217	6,408
Other	35,516	159,318	194,834
	<u>3,441,491</u>	<u>921,317</u>	<u>4,362,808</u>
<b>Total Revenues</b>			
<b>Expenditures:</b>			
<b>Current:</b>			
General government	632,315	69,140	701,455
Public safety	1,193,644	144,144	1,337,788
Public works	380,736	598,083	978,819
Community and economic development	114,829	-	114,829
Recreation and culture	411,205	-	411,205
	<u>2,732,729</u>	<u>811,367</u>	<u>3,544,096</u>
<b>Total Expenditures</b>			
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>708,762</u>	<u>109,950</u>	<u>818,712</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	5,000	315,000	320,000
Transfers out	(285,000)	(35,000)	(320,000)
	<u>(280,000)</u>	<u>280,000</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>			
<b>Net Change in Fund Balances</b>	428,762	389,950	818,712
<b>Fund Balances - July 1</b>	<u>2,578,812</u>	<u>915,446</u>	<u>3,494,258</u>
<b>Fund Balances - June 30</b>	<u>\$ 3,007,574</u>	<u>\$ 1,305,396</u>	<u>\$ 4,312,970</u>

**City of Coopersville, Michigan**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2022**

<b>Net change in fund balances-Total Governmental Funds</b>	<b>\$ 818,712</b>
 Amounts reported for the governmental activities in the statement of activities are different because:	
 Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Current year capital outlays capitalized - general capital assets	298,268
Current year depreciation expense on capitalized assets	(329,953)
 Timing of revenue recognition differs in the statement of activities versus the funds financial statements for certain revenues that do not provide current financial resources:	
State shared revenues	14,469
Special assessment revenues	(869)
 Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.	
	(67,685)
 An internal service fund is used by management to charge the costs of certain activities, such as equipment rental, to individual funds. A portion of the net revenue (expenses) of the internal service fund is reported with governmental activities	
	24,486
 <b>Change in net position of governmental activities</b>	 <b><u>\$ 757,428</u></b>

**City of Coopersville, Michigan**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2022**

	Enterprise Funds			Internal Service Fund
	Water Supply System	Sewage Disposal System	Total	Equipment Fund
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and investments	\$ 3,584,868	\$ 5,042,984	\$ 8,627,852	\$ 366,991
Receivables:				
Accounts	357,647	926,585	1,284,232	-
Prepaid items	-	-	-	1,000
<b>Total Current Assets</b>	<u>3,942,515</u>	<u>5,969,569</u>	<u>9,912,084</u>	<u>367,991</u>
<b>Noncurrent Assets:</b>				
Contracts receivable	112,303	-	112,303	-
Capital assets not being depreciated	343,195	480,424	823,619	-
Capital assets (net of accumulated depreciation)	7,075,759	16,201,003	23,276,762	237,647
<b>Total Noncurrent Assets</b>	<u>7,531,257</u>	<u>16,681,427</u>	<u>24,212,684</u>	<u>237,647</u>
<b>Total Assets</b>	<u>11,473,772</u>	<u>22,650,996</u>	<u>34,124,768</u>	<u>605,638</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows-pension related	39,841	39,696	79,537	-
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	519,868	962,726	1,482,594	6,030
Customer deposits	3,300	2,100	5,400	-
Accrued liabilities	6,292	24,892	31,184	-
Deferred revenue	-	81,294	81,294	-
Current portion of long-term debt	546,000	298,331	844,331	-
<b>Total Current Liabilities</b>	<u>1,075,460</u>	<u>1,369,343</u>	<u>2,444,803</u>	<u>6,030</u>
<b>Noncurrent Liabilities:</b>				
Net pension liability	112,378	111,967	224,345	-
Long-term debt (net of current portion)	851,000	2,876,000	3,727,000	-
<b>Total Noncurrent Liabilities</b>	<u>963,378</u>	<u>2,987,967</u>	<u>3,951,345</u>	<u>-</u>
<b>Total Liabilities</b>	<u>2,038,838</u>	<u>4,357,310</u>	<u>6,396,148</u>	<u>6,030</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows-pension related	23,905	23,817	47,722	-
<b>NET POSITION</b>				
Net investment in capital assets	6,021,954	13,507,096	19,529,050	237,647
Unrestricted	3,428,916	4,802,469	8,231,385	361,961
<b>Total Net Position</b>	<u>\$ 9,450,870</u>	<u>\$ 18,309,565</u>	27,760,435	<u>\$ 599,608</u>
<b>Adjustment to reflect the consolidation of internal service fund activities to enterprise funds</b>			257,328	
<b>Net position of business-type activities</b>			<u>\$ 28,017,763</u>	

See Notes to Financial Statements

**City of Coopersville, Michigan**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2022**

	Enterprise Funds			Internal Service Fund
	Water Supply System	Sewage Disposal System	Total	Equipment Fund
<b>Operating Revenues:</b>				
Water sales	\$ 2,613,278	\$ -	\$ 2,613,278	\$ -
Sewage disposal service	-	3,391,202	3,391,202	-
Charges for services	-	-	-	266,324
Fees	6,635	5,014	11,649	-
<b>Total Operating Revenues</b>	<u>2,619,913</u>	<u>3,396,216</u>	<u>6,016,129</u>	<u>266,324</u>
<b>Operating Expenses:</b>				
Cost of water	1,128,508	-	1,128,508	-
Operations and maintenance	460,512	2,500,666	2,961,178	147,060
Depreciation	201,449	573,420	774,869	86,697
<b>Total Operating Expenses</b>	<u>1,790,469</u>	<u>3,074,086</u>	<u>4,864,555</u>	<u>233,757</u>
<b>Operating Income (Loss)</b>	<u>829,444</u>	<u>322,130</u>	<u>1,151,574</u>	<u>32,567</u>
<b>Nonoperating Revenues (Expenses):</b>				
Hook-ups	6,680	6,526	13,206	-
Property taxes	625	-	625	-
Interest income	7,986	6,086	14,072	419
Gain (loss) on sale of capital assets	-	-	-	2,413
Other	3,888	69,348	73,236	1,305
Interest and fiscal charges	(29,657)	(103,525)	(133,182)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(10,478)</u>	<u>(21,565)</u>	<u>(32,043)</u>	<u>4,137</u>
<b>Income (Loss) Before Contributions and Transfers</b>	818,966	300,565	1,119,531	36,704
<b>Capital contributions - EDA grant</b>	3,769	-	3,769	-
<b>Capital contributions - Federal grant</b>	<u>-</u>	<u>379,730</u>	<u>379,730</u>	<u>-</u>
<b>Change in Net Position</b>	822,735	680,295	1,503,030	36,704
<b>Net Position - July 1</b>	<u>8,628,135</u>	<u>17,629,270</u>		<u>562,904</u>
<b>Net Position - June 30</b>	<u>\$ 9,450,870</u>	<u>\$ 18,309,565</u>		<u>\$ 599,608</u>
<b>Adjustment to reflect the consolidation of internal service fund activities to enterprise funds</b>			<u>12,218</u>	
<b>Change in net position of business-type activities</b>			<u>\$ 1,515,248</u>	

**City of Coopersville, Michigan**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2022**

	Enterprise Funds			Internal Service Fund
	Water Supply System	Sewage Disposal System	Total	Equipment Fund
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers	\$ 2,619,616	\$ 2,969,020	\$ 5,588,636	\$ -
Receipts from interfund services provided	-	-	-	266,324
Payments to suppliers	(1,496,045)	(1,496,227)	(2,992,272)	(131,989)
Payments to employees	(197,533)	(192,982)	(390,515)	(21,560)
Payments for interfund services used	(36,959)	(31,481)	(68,440)	-
Receipts from other sources	3,888	69,348	73,236	1,305
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>892,967</u>	<u>1,317,678</u>	<u>2,210,645</u>	<u>114,080</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Capital contributions	570,374	461,024	1,031,398	-
Acquisition and construction of capital assets	(166,080)	(893,338)	(1,059,418)	(5,250)
Proceeds from sale of capital assets	-	-	-	2,413
Principal paid on capital debt	(530,000)	(291,332)	(821,332)	-
Interest paid on capital debt	(31,876)	(105,496)	(137,372)	-
Property taxes	625	-	625	-
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<u>(156,957)</u>	<u>(829,142)</u>	<u>(986,099)</u>	<u>(2,837)</u>
<b>Cash Flows From Investing Activities:</b>				
Interest received on investments	7,986	6,086	14,072	419
<b>Net Increase (Decrease) in Cash and Investments</b>	743,996	494,622	1,238,618	111,662
<b>Cash and Investments - July 1</b>	<u>2,840,872</u>	<u>4,548,362</u>	<u>7,389,234</u>	<u>255,329</u>
<b>Cash and Investments - June 30</b>	<u>\$ 3,584,868</u>	<u>\$ 5,042,984</u>	<u>\$ 8,627,852</u>	<u>\$ 366,991</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities:</b>				
Operating income (loss)	\$ 829,444	\$ 322,130	\$ 1,151,574	\$ 32,567
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	201,449	573,420	774,869	86,697
Other nonoperating income	10,568	75,874	86,442	1,305
Change in assets/deferred outflows of resources and liabilities/deferred inflows of resources				
Receivables	(7,277)	(433,722)	(440,999)	-
Deferred outflows of resources	(2,377)	(2,575)	(4,952)	-
Accounts payable	(144,537)	776,452	631,915	(6,489)
Customer deposits	300	-	300	-
Net pension liability	(4,788)	(4,126)	(8,914)	-
Deferred inflows of resources	10,185	10,225	20,410	-
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>\$ 892,967</u>	<u>\$ 1,317,678</u>	<u>\$ 2,210,645</u>	<u>\$ 114,080</u>
<b>Noncash capital and related financing activities:</b>				
Capital contributions through increase (decrease) in receivables	<u>\$ (566,605)</u>	<u>\$ -</u>	<u>\$ (566,605)</u>	<u>\$ -</u>
Acquisition and construction of capital assets through increase (decrease) in accounts payable	<u>\$ 166,406</u>	<u>\$ 101,429</u>	<u>\$ 267,835</u>	<u>\$ -</u>

See Notes to Financial Statements

**City of Coopersville, Michigan**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2022**

	Custodial Funds		
	Tax Collection	Meadow Green Escrow	Total Fiduciary Funds
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 19,197	\$ 19,197
<b>LIABILITIES</b>			
Due to others	-	14,000	14,000
<b>FIDUCIARY NET POSITION</b>			
Restricted for individuals and other governments	-	\$ 5,197	\$ 5,197

**City of Coopersville, Michigan**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2022**

	<u>Custodial Funds</u>		<u>Total Fiduciary Funds</u>
	<u>Tax Collection</u>	<u>Meadow Green Escrow</u>	
<b>Additions:</b>			
Property taxes collected for other governments	\$ 5,650,875	\$ -	\$ 5,650,875
Interest	<u>-</u>	<u>48</u>	<u>48</u>
Total Additions	5,650,875	48	5,650,923
<b>Deductions:</b>			
Property taxes distributed to other governments	<u>5,650,875</u>	<u>-</u>	<u>5,650,875</u>
<b>Change in Fiduciary Net Position</b>	-	48	48
<b>Net Position - Beginning</b>	<u>-</u>	<u>5,149</u>	<u>5,149</u>
<b>Net Position - Ending</b>	<u><u>\$ -</u></u>	<u><u>\$ 5,197</u></u>	<u><u>\$ 5,197</u></u>

**City of Coopersville, Michigan**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Coopersville conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the City of Coopersville:

***Reporting Entity***

The City of Coopersville is governed by an elected mayor and six-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the City's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

***Blended Component Unit.*** The City has no blended component units.

***Discretely Presented Component Unit.*** The Coopersville Downtown Development Authority (DDA) was created to finance improvements within the authority's district of the City. The Authority's twelve-member governing board is appointed by the Chief Executive Officer subject to the approval of the City Council. In addition, the Authority's budget, tax rates and bonded debt are subject to approval by the City Council. The DDA issued debt, which has subsequently been paid off, and currently receives captured tax increment revenues.

Separate financial statements for the Downtown Development Authority are not prepared. The Authority's financial activity is as reflected in these accompanying financial statements.

***Government-Wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, expenditures relating to defined benefit pension plan contributions, and claims and judgments are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue, and charges for services. Sales taxes (state shared revenues) collected and held by the State at year end on behalf of the City and paid to the City at the end of the following August are recognized as revenue in the year received. Such amounts are not normally received within 60 days of the end of the current fiscal year and are budgeted for use by the City in the year received. Other revenue is recorded when received.

The City reports the following major governmental funds:

*General Fund* - The General Fund is the City's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The City reports the following major proprietary funds:

*Water Supply System Fund* - This fund is used to account for the operation and maintenance of a water distribution system, including storage tanks, pumping stations, distribution mains and services and related equipment. Water is purchased from Ottawa County for storage and distribution to Coopersville's customers.

*Sewage Disposal System Fund* - This fund is used to account for the operation and maintenance of a wastewater collection system, lift stations and treatment facility.

Additionally, the City reports the following fund types:

### ***Governmental Funds***

*Special Revenue Funds* - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

*Debt Service Funds* - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest payments.

### ***Proprietary Funds***

*Internal Service Fund* - The Internal Service Fund accounts for the rental of machinery, equipment, and vehicles to other departments, and related costs.

### ***Fiduciary Funds (Not included in government-wide statements)***

*Custodial Funds* - Custodial Funds account for assets held by the City in a fiduciary capacity. The City maintains one custodial fund to account for tax collections and related payments and one custodial fund to account for escrow deposits.

As a general rule, the effect of the inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer functions and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewage disposal systems fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as non-operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

### ***Budgets and Budgetary Accounting***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

Before June 30, the proposed budget is presented to the City's Council for review. The Council holds public hearings and a final budget must be prepared and adopted no later than June 30. City charter requires as follows: "At the regular meeting held not later than the third Monday in May, Council shall, by resolution, adopt a budget for the next fiscal year and make an appropriation of the money needed therefore."

The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter total expenditures of any fund must be approved by City Council.

The appropriated budget is prepared by fund, function, and activity. Budgetary control over expenditures is exercised by the City Council. Appropriated budgets are amended by a majority vote of the City Council. The legal level of budgetary control is the activity level. Expenditures at this level in excess of amounts budgeted are a violation of Michigan law.

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

### ***Cash and Investments***

The City maintains separate cash accounts for each of its various funds as well as maintaining a pooled cash account to facilitate the management of cash.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

For purposes of the statement of cash flows, the proprietary funds type considers all transactions within the City's pooled cash accounts to be cash and cash equivalents.

Investments are recorded at fair value.

### ***Receivables and Payables***

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The property tax receivable allowance is equal to 100 percent of the outstanding property taxes. No allowance for uncollectible accounts is considered necessary for other receivables.

***Inventories and Prepaid Items***

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are not material and are recorded as expenditures when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. General infrastructure assets acquired prior to July 1, 2003, are not reported in the basic financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of two years and an initial individual cost of more than \$5,000 for governmental activities and \$10,000 for business-type activities and proprietary funds. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year \$0 of interest expense was capitalized as part of the cost of assets under construction.

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-40
Land improvements	5-10
Machinery and equipment	5-15
Office furniture and equipment	5-20
Vehicles	3-25
Roads and sidewalks	15-25
Water and sewer systems	10-50

***Compensated Absences***

City employees are entitled to certain compensated absences based on their length of employment. City employees earn vacation in varying amounts based on length of service. Unused vacation time is paid to employees at the time of termination or retirement. If material, vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only for employee terminations at year-end (if material).

Sick leave is accumulated at the rate of one day per month of employment. Unused sick leave accumulates from year to year to a maximum of 120 days of sick leave. Twenty-five percent of unused sick leave is paid to employees at the time of termination or retirement. It is the City’s policy to recognize the cost of sick leave at the time payments are made and if material, record a liability for employee terminations at year-end.

***Long-Term Obligations***

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Issuance costs are reported as debt service expenses. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

### ***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide statements and proprietary funds report deferred outflows-pension related, which includes deferred employer pension contributions (contributions made subsequent to the pension plan's fiscal year end through the City's fiscal year-end), deferred deficit pension investment earnings (the difference between the plan's investment earnings and the plan's assumed investment earnings), and deferred changes in experience and assumptions (the difference between projected and actual experience and assumptions of the pension plan).

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of item that qualifies under this category. One item, unavailable revenue (special assessments), is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide statements and proprietary funds report deferred inflows-pension related, which includes deferred excess pension investment earnings (the difference between the plan's investment earnings and the plan's assumed investment earnings), and deferred changes in experience and assumptions (the difference between projected and actual experience and assumptions of the pension plan).

### ***Fund Equity***

In governmental fund financial statements, fund balances are classified as follows:

- Non-spendable – amounts that are not in spendable form (such as prepaids, inventory, and long-term receivables) or are required to be maintained intact (such as the corpus of a permanent fund).
- Restricted – amounts constrained to specific purposes by their providers (such as creditors, grantors, contributors, or laws and regulations) or imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts constrained to specific purposes determined by formal action by City Council ordinance or resolution, and that remains binding unless removed in the same manner.
- Assigned – amounts, neither restricted nor committed, a government intends to use for a specific purpose; intent can be expressed by the City Council or a body or official to which the City Council has delegated the authority to assign amounts for specific purposes. Currently the assigned fund balance is determined through the budget and any residual amounts of fund balance in governmental funds other than the general fund.
- Unassigned – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The City Council has adopted a minimum fund balance policy which states that the total unassigned fund balances of the General Fund will be at least forty percent of the average of the last three fiscal years' General Fund revenues.

### ***Net Position Flow Assumption/Fund Balance Flow Assumptions***

In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

In order to calculate the amounts reported as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance is applied in the following order: committed, assigned, and unassigned.

### ***Pension***

The City offers a defined benefit pension plan to its employees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. 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 Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### ***Property Taxes***

Property taxes are levied on each July 1 (lien date and due date) on the taxable valuation of property as of the preceding December 31. Real and personal property taxes are collected without additional charge from a period of 45 days from the date the bills are due. After that period of time, three percent penalty or interest at one percent per month are added to all unpaid taxes. The City continues to collect taxes until March 1, at which time the delinquent real property taxes are returned to the county for collection. The county's policy has been to pay the City for all delinquent real property taxes returned. The City continues to collect delinquent personal property taxes.

The City's 2021 ad valorem tax is levied and collectible on July 1, 2021, and is recognized as revenue in the year ended June 30, 2022, when the proceeds of this levy are budgeted and made available for the financing of operations.

### ***Use of Estimates***

The preparation of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### ***Excess of Expenditures Over Appropriations in Budgeted Funds***

During the year, the City incurred no expenditures in budgeted funds which were in excess of the amounts appropriated.

### ***State Construction Code Act***

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs.

The City accounts for the activity of its building inspection department within its general fund. Following is a summary of the cumulative surplus or deficit and activity for the year ended June 30, 2022:

Surplus (deficit) - July 1		\$ 236,801
Current year - building permit revenue	\$ 86,656	
Current year - related expenditures		
Direct costs	(98,689)	
Estimated indirect costs	<u>(6,127)</u>	<u>(18,160)</u>
Surplus (deficit) - June 30		<u>\$ 218,641</u>

### 3. DEPOSITS AND INVESTMENTS

*Michigan Compiled Laws, Section 129.91*, authorizes the City to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The City is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The governing body has designated several banks for the deposit of City funds. The investment policy adopted by the City in accordance with Public Act 196 of 1997 has authorized investment in all of the State statutory authority as listed above.

There are no limitations or restrictions on participant withdrawals for investment pools that are recorded at amortized cost, except for a one-day minimum investment period.

The City's deposits and investments policy is in accordance with statutory authority.

At year-end, the City's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Component Unit</u>
Cash and investments	<u>\$ 4,739,981</u>	<u>\$ 8,627,852</u>	<u>\$ 19,197</u>	<u>\$ 13,387,030</u>	<u>\$ 243,502</u>

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
Bank Deposits (checking and savings accounts, certificates of deposit)	\$ 871,716	\$ 243,502	\$ 1,115,218
Investments	<u>12,515,314</u>	<u>-</u>	<u>12,515,314</u>
Total	<u>\$ 13,387,030</u>	<u>\$ 243,502</u>	<u>\$ 13,630,532</u>

## ***Deposits***

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a deposit policy for custodial credit risk. At year end the bank balance of the City's (including its component unit) deposits was \$1,146,094 of which \$750,000 was covered by federal depository insurance and \$396,094 was exposed to custodial credit risk because it was uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

## ***Investments***

The City chooses to disclose its investments by specifically identifying each. As of year-end, the City had the following investments:

<u>Investment</u>	<u>Fair value</u>	<u>Weighted average maturity (years)</u>	<u>Rating</u>	<u>Rating Organization</u>
Comerica Government Cash Investment Fund	\$ 11,258,947	0.0027	Not rated	n/a
Michigan Class Investment Pool	<u>1,256,367</u>	0.0027	AAAm	S&P
Total investments	<u>\$ 12,515,314</u>			

1 day maturity equals 0.0027, one year equals 1.00

*Interest Rate Risk.* In addition to the limits set by state law as listed above, the City's investment policy limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates as follows: investments in bonds, securities and other obligations of the United States or an agency or instrumentality of the United States with remaining maturities of two years or less (unless purchased for debt retirement or other long-term investment accounts) and investments in certificates of deposit with maturities of five years or less.

*Credit risk.* The City has no investment policy that limits its investment choices beyond those required by state law.

*Custodial Credit Risk – Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the City's and its component unit's investments in permissible money market funds and investment pools were held by third parties in the City's name.

*Concentration of Credit Risk.* State law does not limit, but the City has adopted a formal policy on, the amount the City may invest in any one issuer as follows: not more than 50% of the City's portfolio may be invested in commercial paper or in United States government or federal agency repurchase obligations and not more than 25% of the City's portfolio may be invested in banker's acceptances of United States banks. More than 5% of the City's investments are in the Comerica Government Cash Investment Fund (90.0%) and the Michigan Class Investment Pool (10.0%).

*Foreign Currency Risk.* The City is not authorized to invest in investments which have this type of risk.

### ***Fair Value Measurement***

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

The City did not have any investments subject to the fair value disclosures at June 30, 2022.

Michigan Class Investment Pool holdings are measured on a recurring basis using net asset value (NAV) per share (or its equivalent) of the investment company as a practical expedient. These investments have no unfunded commitments or redemption rules.

The City invests in the Comerica Government Investment Fund which is considered an external investment pool. This fund is recorded at amortized cost which approximates fair value and is not subject to the fair value disclosures.

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

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

#### 4. CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

<b>Governmental Activities</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Completed Construction</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated					
Land	\$ 130,051	\$ -	\$ -	\$ -	\$ 130,051
Capital Assets Being Depreciated					
Building and improvements	1,310,436	43,830	-	-	1,354,266
Land improvements	2,010,204	245,050	-	-	2,255,254
Machinery and equipment	186,420	9,388	(4,288)	-	191,520
Office furniture and equipment	169,179	-	-	-	169,179
Equipment-Equipment Fund	544,544	5,250	(19,924)	-	529,870
Vehicles-Equipment Fund	754,732	-	(6,498)	-	748,234
Infrastructure	<u>4,312,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,312,725</u>
Subtotal	<u>9,288,240</u>	<u>303,518</u>	<u>(30,710)</u>	<u>-</u>	<u>9,561,048</u>
Less Accumulated Depreciation for					
Buildings and improvements	(923,802)	(35,290)	-	-	(959,092)
Land improvements	(1,351,637)	(65,060)	-	-	(1,416,697)
Machinery and equipment	(165,159)	(5,914)	4,288	-	(166,785)
Office furniture and equipment	(146,970)	(6,601)	-	-	(153,571)
Equipment-Equipment Fund	(393,485)	(38,808)	19,924	-	(412,369)
Vehicles-Equipment Fund	(586,697)	(47,889)	6,498	-	(628,088)
Infrastructure	<u>(2,144,323)</u>	<u>(217,088)</u>	<u>-</u>	<u>-</u>	<u>(2,361,411)</u>
Subtotal	<u>(5,712,073)</u>	<u>(416,650)</u>	<u>30,710</u>	<u>-</u>	<u>(6,098,013)</u>
Net Capital Assets Being Depreciated	<u>3,576,167</u>	<u>(113,132)</u>	<u>-</u>	<u>-</u>	<u>3,463,035</u>
Governmental Activities Total					
Capital Assets - Net of Depreciation	<u>\$ 3,706,218</u>	<u>\$ (113,132)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,593,086</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 27,356
Public safety	10,136
Public works	234,231
Recreation and culture	58,230
Internal service fund depreciation is charged to the various functions based on their usage of the assets	<u>86,697</u>
Total Governmental Activities	<u>\$ 416,650</u>

<b>Business-Type Activities</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Completed Construction</u>	<u>Ending Balance</u>
<b>Capital Assets Not Being Depreciated</b>					
Land	\$ 76,473	\$ -	\$ -	\$ -	\$ 76,473
Construction in progress	<u>2,193,773</u>	<u>1,256,021</u>	<u>-</u>	<u>(2,702,648)</u>	<u>747,146</u>
Subtotal	<u>2,270,246</u>	<u>1,256,021</u>	<u>-</u>	<u>(2,702,648)</u>	<u>823,619</u>
<b>Capital Assets Being Depreciated</b>					
Water systems	9,147,058	-	-	2,196,687	11,343,745
Sewage systems	23,704,716	71,232	-	-	23,775,948
Land improvements	-	-	-	505,961	505,961
Machinery and equipment-water	10,600	-	-	-	10,600
Machinery and equipment-sewer	<u>136,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,457</u>
Subtotal	<u>32,998,831</u>	<u>71,232</u>	<u>-</u>	<u>2,702,648</u>	<u>35,772,711</u>
<b>Less Accumulated Depreciation for</b>					
Water systems	(4,066,537)	(201,449)	-	-	(4,267,986)
Sewage systems	(7,554,876)	(564,920)	-	-	(8,119,796)
Land improvements	-	-	-	-	-
Machinery and equipment-water	(10,600)	-	-	-	(10,600)
Machinery and equipment-sewer	<u>(89,067)</u>	<u>(8,500)</u>	<u>-</u>	<u>-</u>	<u>(97,567)</u>
Subtotal	<u>(11,721,080)</u>	<u>(774,869)</u>	<u>-</u>	<u>-</u>	<u>(12,495,949)</u>
Net Capital Assets Being Depreciated	<u>21,277,751</u>	<u>(703,637)</u>	<u>-</u>	<u>2,702,648</u>	<u>23,276,762</u>
<b>Business-Type Activities Total</b>					
Capital Assets - Net of Depreciation	<u>\$ 23,547,997</u>	<u>\$ 552,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,100,381</u>

Depreciation expense was charged to business type activities as follows:

Water supply	\$ 201,449
Sewage disposal	<u>573,420</u>
Total Business-Type Activities	<u>\$ 774,869</u>

*Construction Commitments* - At June 30, 2022, the City had construction commitments as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Water Supply Projects	\$ 352,223	\$ 1,405,742
Sewage Disposal Projects	<u>379,730</u>	<u>95,260</u>
Total	<u>\$ 731,953</u>	<u>\$ 1,501,002</u>

## 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2022, there were no interfund balances. Interfund transfers reported in the funds statements were as follows:

	Transfers Out		
	General Fund	Nonmajor Governmental Funds	Total
Transfers In			
General Fund	\$ -	\$ 5,000 (2)	\$ 5,000
Nonmajor Governmental Funds	<u>285,000 (1)</u>	<u>30,000 (3)</u>	<u>315,000</u>
	<u>\$ 285,000</u>	<u>\$ 35,000</u>	<u>\$ 320,000</u>

The following describes the nature of significant transfers:

- (1) Transfers for annual operating purposes
- (2) Transfer to General Fund for administrative expenses
- (3) Transfer from Major Street Fund to Local Street Fund for operating purposes

## 6. LONG-TERM DEBT

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the city is obligated to provide resources to cover the deficiency until other resources are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Bond and contractual obligation activity for the City can be summarized as follows:

	Original Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>						
Revenue Bonds						
2018 Wastewater Treatment System Revenue Refunding Bonds, interest rate of 3.18%, maturing 2032						
	\$ 4,314,000	\$ 3,379,000	\$ -	\$ (248,000)	\$ 3,131,000	\$ 255,000
General Obligation Bonds						
2019 Water Supply System General Obligation Limited Tax Bonds, interest rates from 1.55% to 1.90%, maturing 2024						
	\$ 2,700,000	1,927,000	-	(530,000)	1,397,000	546,000
Coopersville Area Public Schools Contractual Obligation						
2019 Payback Agreement, no stated interest, maturing 2021						
	\$ 173,326	86,663	-	(43,332)	43,331	43,331
		<u>\$ 5,392,663</u>	<u>\$ -</u>	<u>\$ (821,332)</u>	<u>\$ 4,571,331</u>	<u>\$ 844,331</u>

Annual debt service requirements to maturity for the above obligations are as follows:

Years Ended	Business-Type Activities		
	June 30	Principal	Interest
2023	\$ 844,331	\$ 120,410	
2024	827,000	102,611	
2025	560,000	83,651	
2026	281,000	72,202	
2027	290,000	63,187	
2028-2032	1,595,000	170,496	
2033	<u>174,000</u>	<u>2,766</u>	
Total	\$ <u>4,571,331</u>	\$ <u>615,323</u>	

*Pledged Revenues* - The City has pledged future wastewater treatment customer revenues, net of specified operating expenses, to repay \$4,314,000 in wastewater treatment system refunding bonds issued in 2018. Proceeds from the bonds provided financing for refunding the City's wastewater treatment system revenue bonds. The bonds are payable solely from the net revenues of the City's wastewater treatment system and are payable through 2032. The City has covenanted and agreed to fix, establish, maintain, and collect at all times while any bonds payable from net revenues shall be outstanding, such rates, fees, and charges for the sale of the output, capacity, use or service furnished by the wastewater treatment system, which, together with other income, shall be reasonably expected to yield net revenues equal to at least the sum of 110% of annual debt service requirements on the bonds for each year and to provide for such other expenditures and funds for the wastewater treatment system as required by the bond resolution.

## 7. RESTRICTED ASSETS

The City has no restricted assets at June 30, 2022.

## 8. RISK MANAGEMENT

The City 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 City has purchased commercial insurance for medical benefit claims. The City participates in the Michigan Municipal League risk pool for workers' compensation claims, general liability, and property loss. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool operates as a common risk-sharing program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

## 9. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. All assets of the plan are held in trust for the employees thereby insulating the assets from the City's general creditors. As a result, the plan assets are not included in these financial statements.

## 10. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

### General Information about the Pension Plan

*Plan Description* – The City’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Municipal Employees’ Retirement System of Michigan (MERS). MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

*Benefits Provided* – The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

#### 01: Open Division

	2021 Valuation	2020 Valuation
Benefit Multiplier:	2.00% Multiplier (no max)	2.00% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	6 years	6 years
Early Retirement (Unreduced):	55/25	55/25
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	5 years	5 years
Employee Contributions:	4%	4%
Act 88:	Yes (Adopted 10/23/1989)	Yes (Adopted 10/23/1989)

*Employees covered by benefit terms* – At the December 31, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	18
Inactive members entitled to but not yet receiving benefits	9
Active plan members	16
Total participants	43

*Contributions* – The City is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions for the year ended June 30, 2022 were 13.47% based on annual payroll for open divisions.

*Net Pension Liability* – The City’s Net Pension Liability was measured as of December 31, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

*Actuarial Assumptions* – The total pension liability used to calculate the Net Pension Liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50%
Salary increases:	3.00% in the long term
Investment rate of return:	7.00% net of investment and administrative expenses, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.50%.

Cost-of-living-adjustments (COLA) – The City provides for no cost of living adjustment.

Mortality rates used were based on a blend of the Pub-2010 Juvenile Mortality Tables; PubG-2010 Employee Mortality Tables; and PubG-2010 Healthy Retiree Tables. For disabled retirees, mortality rates were based on a blend of the Pub-2010 Juvenile Mortality Tables and the PubNS-2010 Disabled Retiree Tables.

The actuarial assumption used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target Allocation Gross Rate of Return</u>	<u>Long-Term Expected Gross Rate of Return</u>	<u>Inflation Assumption</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	60.00%	7.00%	4.20%	2.50%	2.70%
Global Fixed Income	20.00%	4.50%	0.90%	2.50%	0.40%
Private Investments	20.00%	9.50%	1.90%	2.50%	1.40%
<b>Total</b>	<u>100.00%</u>		<u>7.00%</u>		<u>4.50%</u>

*Discount Rate* – The discount rate used to measure the total pension liability is 7.25% for 2021. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. 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.

#### Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
<b>Balances as of 12/31/20</b>	\$ 3,627,930	\$ 2,633,250	\$ 994,680
<b>Changes for the Year</b>			
Service cost	90,810	-	90,810
Interest on total pension liability	270,232	-	270,232
Changes in benefit terms	-	-	-
Difference between expected and actual experience	50,027	-	50,027
Changes in assumptions	133,494	-	133,494
Employer contributions	-	142,655	(142,655)
Employee contributions	-	37,508	(37,508)
Net investment income	-	352,612	(352,612)
Benefit payments, including employee refunds	(235,314)	(235,314)	-
Administrative expenses	-	(4,180)	4,180
Other changes	-	-	-
<b>Net Changes</b>	<u>309,249</u>	<u>293,281</u>	<u>15,968</u>
<b>Balances as of 12/31/21</b>	<u>\$ 3,937,179</u>	<u>\$ 2,926,531</u>	<u>\$ 1,010,648</u>

*Sensitivity of the Net Pension Liability to changes in the discount rate* – The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer’s Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% decrease 6.25%	Current Discount Rate 7.25%	1% increase 8.25%
Net Pension Liability	\$ 1,468,431	\$ 1,010,648	\$ 626,469

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

For the year ended June 30, 2022, the City recognized pension expense of \$232,773. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,828	\$ 7,250
Changes in assumptions	198,296	-
Excess (inflow) or deficit (outflow) investment returns	-	207,736
Contributions subsequent to the measurement date (1)	72,182	-
<b>Total</b>	<b>\$ 358,306</b>	<b>\$ 214,986</b>

- (1) The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2023

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions subsequent to measurement date which will not affect pension expense.

June 30,	Amount
2023	\$ 86,357
2024	30,889
2025	(15,160)
2026	(30,948)
<b>Total</b>	<b>\$ 71,138</b>

### **Payable to the Pension Plan**

At June 30, 2022, the City reported a payable of \$0 for the outstanding amount of legally required contributions to the pension plan required for the year ended June 30, 2022.

## 11. TAX ABATEMENTS

As of June 30, 2022, the City provides tax abatement through one type of program: The Industrial Facilities Exemption.

### *Industrial Facilities Exemption*

The City entered into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended. The Industrial Facilities Exemption provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote 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 of 1-12 years as determined by the local unit of government. The IFT on a new plant and non-industrial property, such as some high-tech personal property, is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%.

For the year ended June 30, 2022, the City abated property tax revenues approximating \$345,015 under this program.

## 12. CONTINGENT LIABILITIES

The City is a member of the Coopersville Polkton Joint Building Authority (the Building Authority), a joint venture of the City and Polkton Charter Township, to provide for the construction of a new fire station. The Building Authority issued \$2,550,000 of bonds in April 2019 (maturing through 2037, interest rates from 3.0%-4.0%) for the construction of the fire station. The participating municipalities have entered into lease agreements with the Building Authority; the lease payments are for the payment of the maturing bonds principal and interest. Subsequently, the participating municipalities entered into sublease agreements with the Coopersville Polkton Area Fire Protection Authority (the Fire Authority); the lease payments are also for the payment of the maturing bonds principal and interest. The participating municipalities have agreed to make contributions to the Fire Authority to cover the required lease payments to the Building Authority as they come due. At June 30, 2022, the City's portion of outstanding debt for which it has covenanted to pay totaled \$1,210,000. In accordance with the terms of the sublease agreements, the City and Polkton Charter Township have agreed that upon retirement of the related financing, the lease agreements will be terminated and the Building Authority will convey title of the facilities to the Fire Authority. Accordingly, the transactions are being accounted for as a direct financing lease.

## 13. JOINT VENTURES

Certain entities which are not part of the City's reporting entity but were, in part, created by the City for special purposes, are accounted for as joint ventures. The following are joint ventures in which the City participates:

### *Coopersville Polkton Area Fire Protection Authority*

The City is a member of the Coopersville Polkton Area Fire Protection Authority (the Fire Authority), a joint venture of the City and Polkton Charter Township, to provide fire protection services to the City and Polkton Charter Township. The City does not have an explicit, measurable equity interest in the Fire Authority. The agreement between the City and Polkton Charter Township provides that the costs of operations and capital expenditures are supported by contributions from the participating municipalities. Contributions from the participating municipalities are based on fire protection runs, population, and tax base in each municipality. The Fire Authority is governed by an appointed fire board, consisting of two members appointed by the City of Coopersville and two members appointed by Polkton Charter Township.

The Fire Authority's fiscal year ends on December 31. For the year ended December 31, 2021, costs were allocated 58.3% to the City and 41.7% to Polkton Charter Township. During the year ended December 31, 2021, the City contributed \$381,150 to the Fire Authority. As of December 31, 2021, the Fire Authority had net position of \$2,840,363 and noncurrent liabilities of \$2,423,579. The Fire Authority's (General Fund) fund balance increased by \$110,480, from \$681,556 to \$792,036, for the year ended December 31, 2021. The Fire Authority's net position increased by \$56,765, from \$2,783,598 to \$2,840,363, for the year ended December 31, 2021. Separate financial statements of the joint venture may be obtained from either of the participating municipalities.

### ***Coopersville Polkton Joint Building Authority***

The City is a member of the Coopersville Polkton Joint Building Authority (the Building Authority), a joint venture of the City and Polkton Charter Township, to provide for the construction of a new fire station. The City does not have an explicit, measurable equity interest in the Building Authority. The Building Authority is governed by an appointed board, consisting of two members appointed by the City of Coopersville and two members appointed by Polkton Charter Township.

The Authority issued \$2,550,000 of bonds in April 2019 for the construction of a new fire station, maturing through 2033, with interest rates ranging from 3.0-4.0%. These bonds are backed by the limited tax, full faith and credit of the City and Polkton Charter Township (participating municipalities). The participating municipalities have entered into lease agreements with the Building Authority; the lease payments are for the payment of the maturing bonds principal and interest. Subsequently, the participating municipalities entered into sublease agreements with the Fire Authority; the lease payments are for the payment of the maturing bonds principal and interest. In accordance with the terms of the sublease agreements, the City and Polkton Charter Township have agreed that upon retirement of the related financing, the lease agreements will be terminated and the Authority will convey title of the facilities to the Fire Authority.

## **14. COVID-19**

In March 2020, the World Health Organization classified the outbreak of a novel coronavirus (COVID-19) as a pandemic based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's operational and financial performance. The extent of the impact of COVID-19 on the City's financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on services, employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak at this time.

Required  
Supplementary Information

**City of Coopersville, Michigan**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 1,889,300	\$ 1,889,300	\$ 1,899,941	\$ 10,641
Licenses and permits	90,000	90,000	96,450	6,450
State shared revenues	700,000	700,000	1,028,645	328,645
Charges for services	313,000	313,000	374,293	61,293
Fines and forfeits	1,500	1,500	2,455	955
Interest	20,000	20,000	4,191	(15,809)
Other	15,000	15,000	35,516	20,516
<b>Total Revenues</b>	<u>3,028,800</u>	<u>3,028,800</u>	<u>3,441,491</u>	<u>412,691</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
City Council	23,700	23,700	16,643	7,057
Manager	92,073	92,073	63,612	28,461
Elections	26,400	26,400	13,523	12,877
Assessor	37,516	37,516	36,387	1,129
Attorney	25,000	25,000	14,902	10,098
Clerk	110,746	110,746	97,865	12,881
Board of Review	2,470	2,470	2,298	172
Treasurer	106,073	106,073	87,748	18,325
Computer services	91,315	91,315	38,853	52,462
Building and grounds	261,478	261,478	248,484	12,994
Cemetery	12,000	12,000	12,000	-
<b>Total General Government</b>	<u>788,771</u>	<u>788,771</u>	<u>632,315</u>	<u>156,456</u>
<b>Public Safety:</b>				
Police	727,548	727,548	713,346	14,202
Fire department	382,500	382,500	381,600	900
Building inspector	90,838	115,838	98,698	17,140
<b>Total Public Safety</b>	<u>1,200,886</u>	<u>1,225,886</u>	<u>1,193,644</u>	<u>32,242</u>
<b>Public Works:</b>				
Street lighting	55,000	55,000	43,851	11,149
Sanitation	185,000	190,000	189,093	907
Storm sewer	474,983	474,983	147,792	327,191
<b>Total Public Works</b>	<u>714,983</u>	<u>719,983</u>	<u>380,736</u>	<u>339,247</u>

(Continued on next page)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Community and Economic Development:</b>				
Planning and zoning administration	<u>116,919</u>	<u>116,919</u>	<u>114,829</u>	<u>2,090</u>
<b>Recreation and Culture:</b>				
Parks	175,934	175,934	127,879	48,055
Recreation	272,566	272,566	242,315	30,251
Historical society	<u>42,486</u>	<u>42,486</u>	<u>41,011</u>	<u>1,475</u>
<b>Total Recreation and Culture</b>	<u>490,986</u>	<u>490,986</u>	<u>411,205</u>	<u>79,781</u>
<b>Total Expenditures</b>	<u>3,312,545</u>	<u>3,342,545</u>	<u>2,732,729</u>	<u>609,816</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(283,745)</u>	<u>(313,745)</u>	<u>708,762</u>	<u>1,022,507</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	5,000	5,000	5,000	-
Transfers out	<u>(285,000)</u>	<u>(285,000)</u>	<u>(285,000)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(280,000)</u>	<u>(280,000)</u>	<u>(280,000)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(563,745)	(593,745)	428,762	1,022,507
<b>Fund Balances - July 1</b>	<u>2,578,812</u>	<u>2,578,812</u>	<u>2,578,812</u>	<u>-</u>
<b>Fund Balances - June 30</b>	<u>\$ 2,015,067</u>	<u>\$ 1,985,067</u>	<u>\$ 3,007,574</u>	<u>\$ 1,022,507</u>

**City of Coopersville, Michigan**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**Defined Benefit Pension Plan**  
**Schedule of Changes in Net Pension Liability and Related Ratios**

Plan year ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 90,810	\$ 80,076	\$ 86,477	\$ 85,556	\$ 75,474	\$ 71,004	\$ 71,295	\$ 56,681
Interest on total pension liability	270,232	254,718	242,479	223,313	222,286	224,668	207,335	198,485
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	50,027	(14,502)	125,770	156,122	(96,344)	(162,357)	41,146	-
Changes in assumptions	133,494	113,900	103,065	-	-	-	141,080	-
Benefit payments, including refunds	(235,314)	(235,548)	(232,507)	(219,221)	(168,045)	(162,601)	(168,427)	(141,960)
Other changes	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	309,249	198,644	325,284	245,770	33,371	(29,286)	292,429	113,206
Total Pension Liability - Beginning of Year	<u>3,627,930</u>	<u>3,429,286</u>	<u>3,104,002</u>	<u>2,858,232</u>	<u>2,824,861</u>	<u>2,854,147</u>	<u>2,561,718</u>	<u>2,448,512</u>
Total Pension Liability - End of Year	<u>\$ 3,937,179</u>	<u>\$ 3,627,930</u>	<u>\$ 3,429,286</u>	<u>\$ 3,104,002</u>	<u>\$ 2,858,232</u>	<u>\$ 2,824,861</u>	<u>\$ 2,854,147</u>	<u>\$ 2,561,718</u>
<b>Plan Fiduciary Net Position</b>								
Employer contributions	\$ 142,655	\$ 110,725	\$ 108,120	\$ 104,317	\$ 94,442	\$ 72,676	\$ 62,693	\$ 50,374
Employee contributions	37,508	34,734	35,842	33,927	30,812	29,542	47,338	104,149
Net investment income	352,612	329,173	294,904	(90,832)	281,571	223,864	(30,512)	125,745
Benefit payments, including refunds	(235,314)	(235,548)	(232,507)	(219,221)	(168,045)	(162,601)	(168,427)	(141,960)
Administrative expenses	(4,180)	(4,768)	(5,078)	(4,570)	(4,460)	(4,420)	(4,514)	(4,622)
Net Change in Plan Fiduciary Net Position	293,281	234,316	201,281	(176,379)	234,320	159,061	(93,422)	133,686
Plan Fiduciary Net Position - Beginning of Year	<u>2,633,250</u>	<u>2,398,934</u>	<u>2,197,653</u>	<u>2,374,032</u>	<u>2,139,712</u>	<u>1,980,651</u>	<u>2,074,073</u>	<u>1,940,387</u>
Plan Fiduciary Net Position - End of Year	<u>\$ 2,926,531</u>	<u>\$ 2,633,250</u>	<u>\$ 2,398,934</u>	<u>\$ 2,197,653</u>	<u>\$ 2,374,032</u>	<u>\$ 2,139,712</u>	<u>\$ 1,980,651</u>	<u>\$ 2,074,073</u>
<b>Net Pension Liability - Ending</b>	<u>\$ 1,010,648</u>	<u>\$ 994,680</u>	<u>\$ 1,030,352</u>	<u>\$ 906,349</u>	<u>\$ 484,200</u>	<u>\$ 685,149</u>	<u>\$ 873,496</u>	<u>\$ 487,645</u>
<b>Plan Fiduciary Net Position as a Percent of Total Pension Liability</b>	74.33%	72.58%	69.95%	70.80%	83.06%	75.75%	69.40%	80.96%
<b>Covered Employee Payroll</b>	\$ 892,043	\$ 821,295	\$ 897,069	\$ 872,134	\$ 773,299	\$ 735,794	\$ 755,242	\$ 600,446
<b>Net Pension Liability as a Percent of Covered Employee Payroll</b>	113.30%	121.11%	114.86%	103.92%	62.61%	93.12%	115.66%	81.21%

Benefit Changes: There were no changes to benefit terms in 2021

Changes in Assumptions: During the measurement year ended December 31, 2021, the assumed rate of investment return (net of investment expenses) was reduced from 7.35% to 7.00%

GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015. Prospective implementation is permitted. Additional years' information will be added to this schedule until 10 years of information is reported.

**City of Coopersville, Michigan**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**Defined Benefit Pension Plan**  
**Schedule of Contributions**  
**Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 127,155	\$ 95,225	\$ 90,316	\$ 87,086	\$ 85,781	\$ 79,128	\$ 65,723	\$ 54,278	\$ 47,836	\$ 34,840
Contributions in relation to the actuarially determined contribution	<u>142,655</u>	<u>110,725</u>	<u>108,120</u>	<u>104,317</u>	<u>101,281</u>	<u>79,128</u>	<u>65,723</u>	<u>54,278</u>	<u>47,836</u>	<u>34,840</u>
Contribution Deficiency (Excess)	<u>\$ (15,500)</u>	<u>\$ (15,500)</u>	<u>\$ (17,804)</u>	<u>\$ (17,231)</u>	<u>\$ (15,500)</u>	<u>\$ -</u>				
Covered Employee Payroll	\$ 943,728	\$ 911,693	\$ 884,705	\$ 861,787	\$ 828,239	\$ 776,526	\$ 697,696	\$ 619,612	\$ 618,036	\$ 518,452
Contributions as a Percentage of Covered Employee Payroll	13.47%	10.44%	10.21%	10.11%	10.36%	10.19%	9.42%	8.76%	7.74%	6.72%

**Notes to Schedule of City Contributions**

Valuation date	Actuarially determined contribution rates are calculated as of December 31, which is eighteen months prior to the beginning of the fiscal year in which the contributions are reported.
Methods and assumptions used to determine contribution rates (FY 2022 rates based on the 12/31/2019 actuarial valuation):	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	19 years
Asset valuation method	5 year smoothed
Inflation	2.5%
Salary increases	3.0% in the long term
Investment rate of return	7.35% net of administrative and investment expenses, including inflation
Retirement age	60
Mortality	50% Male / 50% Female blend of RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%, RP-2014 Employee Mortality Tables, RP-2014 Juvenile Mortality Tables
Other information	None

# Additional Supplementary Information

## Nonmajor Governmental Funds

### **Special Revenue Funds**

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

### **Debt Service Funds**

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest payments.

**City of Coopersville, Michigan**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2022**

	Special Revenue Funds					Debt Service Fund	Total Nonmajor Governmental Funds
	Major Street	Local Street	Coopersville- Polkton Cemetery Authority	Community That Cares	Total	2006 Capital Improvement Bonds	
<b>ASSETS</b>							
Cash and investments	\$ 362,142	\$ 769,993	\$ 63,529	\$ 61,741	\$ 1,257,405	\$ 5,310	\$ 1,262,715
Receivables:							
Accounts	-	-	175	-	175	-	175
Special assessments	-	-	-	-	-	3,851	3,851
Due from other governments	<u>67,996</u>	<u>24,700</u>	<u>-</u>	<u>-</u>	<u>92,696</u>	<u>-</u>	<u>92,696</u>
<b>Total Assets</b>	<u>\$ 430,138</u>	<u>\$ 794,693</u>	<u>\$ 63,704</u>	<u>\$ 61,741</u>	<u>\$ 1,350,276</u>	<u>\$ 9,161</u>	<u>\$ 1,359,437</u>
<b>LIABILITIES</b>							
Accounts payable	<u>\$ 4,432</u>	<u>\$ 34,306</u>	<u>\$ 6,085</u>	<u>\$ 5,367</u>	<u>\$ 50,190</u>	<u>\$ -</u>	<u>\$ 50,190</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue-special assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,851</u>	<u>3,851</u>
<b>FUND BALANCES</b>							
Restricted for:							
Cemetery operations	-	-	57,619	-	57,619	-	57,619
Assigned	<u>425,706</u>	<u>760,387</u>	<u>-</u>	<u>56,374</u>	<u>1,242,467</u>	<u>5,310</u>	<u>1,247,777</u>
<b>Total Fund Balances</b>	<u>425,706</u>	<u>760,387</u>	<u>57,619</u>	<u>56,374</u>	<u>1,300,086</u>	<u>5,310</u>	<u>1,305,396</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 430,138</u>	<u>\$ 794,693</u>	<u>\$ 63,704</u>	<u>\$ 61,741</u>	<u>\$ 1,350,276</u>	<u>\$ 9,161</u>	<u>\$ 1,359,437</u>

**City of Coopersville, Michigan**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2022**

	Special Revenue Funds					Debt Service Fund	Total Nonmajor Governmental Funds
	Major Street	Local Street	Coopersville- Polkton Cemetery Authority	Community That Cares	Total	2006 Capital Improvement Bonds	
<b>Revenues:</b>							
State shared revenues	\$ 439,457	\$ 168,811	\$ -	\$ -	\$ 608,268	\$ -	\$ 608,268
Local unit contributions	-	79,245	24,000	5,000	108,245	-	108,245
Charges for services	-	-	43,269	-	43,269	-	43,269
Interest	400	910	69	69	1,448	769	2,217
Other	22,925	6,469	15,016	114,039	158,449	869	159,318
<b>Total Revenues</b>	<u>462,782</u>	<u>255,435</u>	<u>82,354</u>	<u>119,108</u>	<u>919,679</u>	<u>1,638</u>	<u>921,317</u>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	-	-	69,140	-	69,140	-	69,140
Public safety	-	-	-	144,144	144,144	-	144,144
Public works	269,260	328,823	-	-	598,083	-	598,083
<b>Total Expenditures</b>	<u>269,260</u>	<u>328,823</u>	<u>69,140</u>	<u>144,144</u>	<u>811,367</u>	<u>-</u>	<u>811,367</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>193,522</u>	<u>(73,388)</u>	<u>13,214</u>	<u>(25,036)</u>	<u>108,312</u>	<u>1,638</u>	<u>109,950</u>
<b>Other Financing Sources (Uses):</b>							
Transfers in	-	280,000	-	35,000	315,000	-	315,000
Transfers out	(30,000)	-	-	-	(30,000)	(5,000)	(35,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(30,000)</u>	<u>280,000</u>	<u>-</u>	<u>35,000</u>	<u>285,000</u>	<u>(5,000)</u>	<u>280,000</u>
<b>Net Change in Fund Balances</b>	163,522	206,612	13,214	9,964	393,312	(3,362)	389,950
<b>Fund Balances - July 1</b>	<u>262,184</u>	<u>553,775</u>	<u>44,405</u>	<u>46,410</u>	<u>906,774</u>	<u>8,672</u>	<u>915,446</u>
<b>Fund Balances - June 30</b>	<u>\$ 425,706</u>	<u>\$ 760,387</u>	<u>\$ 57,619</u>	<u>\$ 56,374</u>	<u>\$ 1,300,086</u>	<u>\$ 5,310</u>	<u>\$ 1,305,396</u>

# Additional Supplementary Information

## Discretely Presented Component Unit

The Discretely Presented Component Unit is reported separately from the City's other funds to emphasize that it is legally separate from the City. The City has one component unit, the Downtown Development Authority, that is reported in this manner. The Downtown Development Authority is presented as a governmental-type fund.

**Downtown Development Authority** – The Authority was created to finance improvements within its district of the City. The Authority receives captured tax increment revenues which it uses for this purpose.

**City of Coopersville, Michigan**  
**COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY**  
**BALANCE SHEET**  
**June 30, 2022**

**ASSETS**

Cash and investments	\$ <u>243,502</u>
----------------------	-------------------

**LIABILITIES**

Accounts payable	\$ 11,468
------------------	-----------

**FUND BALANCES**

Unassigned	<u>232,034</u>
------------	----------------

<b>Total Liabilities and Fund Balances</b>	<b>\$ <u>243,502</u></b>
--	--------------------------

**Reconciliation of the balance sheet for the component unit to the statement of net position:**

<b>Total Component Unit Fund Balances</b>	<b>\$ 232,034</b>
---	-------------------

Amounts reported for the component unit in the statement of net position are different because:

None	<u>-</u>
------	----------

<b>Net Position of the Component Unit</b>	<b>\$ <u><u>232,034</u></u></b>
---	---------------------------------

**City of Coopersville, Michigan**  
**COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**Year Ended June 30, 2022**

<b>Revenues:</b>	
Taxes	\$ 400,000
Charges for services	12,225
Interest	349
Other	<u>63,210</u>
<b>Total Revenues</b>	475,784
<b>Expenditures:</b>	
Current:	
Community and economic development	<u>687,137</u>
<b>Net Change in Fund Balances</b>	(211,353)
<b>Fund Balances, July 1</b>	<u>443,387</u>
<b>Fund Balances, June 30</b>	<u><u>\$ 232,034</u></u>

**Reconciliation of the component unit statement of revenues, expenditures, and changes in fund balance to the statement of net position:**

<b>Net change in fund balances-Component Unit</b>	\$ (211,353)
Amounts reported for the Component Unit's activities in the statement of activities are different because:	
None	<u>-</u>
<b>Change in net position of the component unit</b>	<u><u>\$ (211,353)</u></u>