

City of Coopersville
Ottawa County, Michigan

REPORT ON FINANCIAL STATEMENTS
(with required supplementary information)

June 30, 2024



City of Coopersville

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INDEPENDENT AUDITOR’S REPORT

City Council
City of Coopersville
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 the City of Coopersville, Michigan, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’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, 2024, 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, budgetary comparison schedules, and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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



Muskegon, Michigan
October 8, 2024

As management of the City of Coopersville, we present to the readers of the City's financial statements this overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage you to consider the information presented in these financial statements along with the additional information that has been furnished in this letter.

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year, the City had total assets/deferred outflows of resources of \$50,360,381 and total liabilities/deferred inflows of resources of \$5,799,545, leaving net position of \$44,560,836.
- Of the total \$44,560,836 in net position, the City has unrestricted net position of \$15,381,658. This amount may be used to meet the City's ongoing obligations to citizens and creditors.
- Total revenues, including all program and general revenues, were \$13,013,242. Of that total, the governmental activities revenues were \$5,553,524 and business-type revenues were \$7,459,718.
- Total expenses for all of the City's programs were \$9,752,431. Of that total, the governmental activities expenses were \$4,405,227 and the business-type expenses were \$5,347,204.
- The City's General Fund reported a total fund balance of \$3,558,515 at year-end, an increase of \$156,198 over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The 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 other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances. These statements are similar to those of a private sector business.

The Statement of Net Position presents information on all of the City's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between the two 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 is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the 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 the future fiscal periods.

Both of the government-wide financial statements mentioned above distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are designed to recover all or a significant part of their costs through user fees and charges for services (business type activities). The governmental activities of the City include general government, public safety, public works, community and economic development, and culture and recreation activities. The business-type activities of the City include water distribution and sewer services.

The government-wide financial statements include not only the City (the primary government) but also the legally separate discretely presented component unit (Downtown Development Authority). The board of this organization is appointed by the City and given the interrelation of the two; there is some potential liability for the City due to the City's pledge of its full faith and credit for debt obligations. The financial information of this component unit is reported in a separate column from the financial information of the primary government itself.

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 current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a governmental entity's short-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 short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains several 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 and Local Streets Fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds. The City has two enterprise 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 distribution and sewer operations.

Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds financial statements provided separate information for Water and Sewer funds, both of which are major funds.

The City also has an internal service fund. 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.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Notes to 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 reader is encouraged to include the reading of this section in any attempt to analyze and understand these statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary information as it relates to the actual expenditures for the General Fund and Local Streets Fund.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

The first table presented on the next page is a summary of the government-wide statement of net position for the City. As stated earlier, the net position may be used as an indicator of a government's financial health. As of June 30, 2024, the City's net position from governmental activities totaled \$9,483,659 (21%) and \$35,077,177 (79%) from business-type activities, creating a total government-wide net position total of \$44,560,836.

In examining the composition of net position, the reader should note that governmental activities include net position that is invested in capital assets (i.e., streets, buildings, land, vehicles, equipment, etc.) These assets are used to provide services to the City's residents, and they are not available to pay salaries, operational expenses or fund capital projects. Certain other governmental net position is shown as restricted, meaning that it is subject to external restrictions on how it may be used. The unrestricted net position for government-type activities totals \$3,178,202. This represents the amount of discretionary resources that can be used for general governmental operations.

The business-type activities show a total of \$35,077,177 in net position and \$11,724,382 in unrestricted net position. The Sewer Fund and Water Fund unrestricted net position are \$8,224,919 and \$3,707,202, respectively.

Governmental activities current assets increased due to only a few capital purchases other than some road improvements. Capital assets increased due to the aforementioned road improvements. Current liabilities increased due to many of these road improvement projects being in progress at the end of the year.

Business-type current assets increased due to continued growth in the City’s Sewer and Water funds. Capital assets increased due to various water and sewer improvement projects outpacing current year depreciation.

Fluctuation in deferred inflows and outflows of resources are due to differences in experience, assumptions, and investment return related to the pension and other post-employment benefits plans, which are being amortized over the average expected remaining service lives of all employees.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current assets and other assets	\$ 6,261,311	\$ 5,118,690	\$ 12,807,226	\$ 11,492,963	\$ 19,068,537	\$ 16,611,653
Capital assets	4,954,575	4,177,855	25,964,795	25,303,928	30,919,370	29,481,783
Total assets	11,215,886	9,296,545	38,772,021	36,796,891	49,987,907	46,093,436
Deferred outflows of resources	290,530	422,890	81,944	119,276	372,474	542,166
Total assets and deferred outflows of resources	11,506,416	9,719,435	38,853,965	36,916,167	50,360,381	46,635,602
Current liabilities	851,134	144,550	1,108,044	992,760	1,959,178	1,137,310
Noncurrent liabilities	1,171,623	1,236,697	2,668,744	2,957,946	3,840,367	4,194,643
Total liabilities	2,022,757	1,381,247	3,776,788	3,950,706	5,799,545	5,331,953
Deferred inflows of resources	-	2,826	-	798	-	3,624
Total liabilities and deferred inflows of resources	2,022,757	1,384,073	3,776,788	3,951,504	5,799,545	5,335,577
Net position						
Net investment in capital assets	4,258,794	4,177,855	23,352,795	22,427,928	27,611,589	26,605,783
Restricted	2,046,663	1,730,488	-	-	2,046,663	1,730,488
Unrestricted	3,178,202	2,427,019	11,724,382	10,536,735	14,902,584	12,963,754
Total net position	\$ 9,483,659	\$ 8,335,362	\$ 35,077,177	\$ 32,964,663	\$ 44,560,836	\$ 41,300,025

The results of this year’s operations for the City as a whole are reported in the statement of activities, which shows changes in net position.

Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues						
Charges for services	\$ 879,570	\$ 1,142,707	\$ 6,806,809	\$ 9,243,878	\$ 7,686,379	\$ 10,386,585
Operating grants	661,827	843,609	-	-	661,827	843,609
Capital grants and contributions	179,150	9,545	-	81,294	179,150	90,839
General revenues						
Property taxes	2,299,809	2,001,278	-	-	2,299,809	2,001,278
Grants and contributions not restricted	1,182,899	1,175,142	-	-	1,182,899	1,175,142
Unrestricted investment earnings	325,952	191,021	572,995	312,382	898,947	503,403
Miscellaneous	18,141	17,301	79,914	144,354	98,055	161,655
Gain on disposal of capital assets	6,176	2,000	-	-	6,176	2,000
Total revenues	5,553,524	5,382,603	7,459,718	9,781,908	13,013,242	15,164,511
Expenses:						
General government	725,270	766,007	-	-	725,270	766,007
Public safety	1,653,452	1,835,563	-	-	1,653,452	1,835,563
Public works	1,224,818	1,133,395	-	-	1,224,818	1,133,395
Community and economic development	133,748	171,177	-	-	133,748	171,177
Culture and recreation	667,939	530,026	-	-	667,939	530,026
Sewer	-	-	3,130,709	2,773,733	3,130,709	2,773,733
Water	-	-	2,216,495	2,050,337	2,216,495	2,050,337
Total expenses	4,405,227	4,436,168	5,347,204	4,824,070	9,752,431	9,260,238
Change in net position	1,148,297	946,435	2,112,514	4,957,838	3,260,811	5,904,273
Net position - Beginning	8,335,362	7,388,927	32,964,663	28,006,825	41,300,025	35,395,752
Net position - Ending	\$ 9,483,659	\$ 8,335,362	\$ 35,077,177	\$ 32,964,663	\$ 44,560,836	\$ 41,300,025

For the year ended June 30, 2024, net position increased by \$1,148,297 in governmental activities and increased by \$2,112,514 in business-type activities, respectively. This resulted in an overall net increase of \$3,260,811 in government-wide net position.

Governmental Activities

Governmental activities charges for services revenues decreased due to significant inspection fees generated by major projects in the City in the prior year. Operating grants and contributions decreased due to a change in the way public safety costs are shared between local units of government, leading to a similar decrease in public safety expenses. Capital grants and contributions increased due to contributions from various community organizations for museum-related capital projects. Unrestricted investment earnings increased due to significantly higher rates of return.

Expenses for all governmental functions decreased by a total of \$30,941, which is indicative of an overall comparable level of activity to the prior year.

Business-type activities

Business-type activities charges for services revenues decreased significantly due to significant fines from a sewer customer in the prior year. Unrestricted investment earnings increased due to significantly higher rates of return.

Expenses for all business-type functions increased by a total of \$523,134. Sewer expenses increased due to sludge removal in the current year.

Financial Analysis of the Government's Funds

As stated earlier in this discussion and analysis, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances or the lack thereof, may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the 2024 fiscal year, the City governmental funds reported a combined unassigned fund balance of \$3,039,725, all of which is in the General Fund. The remainder of the fund balance is nonspendable, restricted, or assigned.

The General Fund is the chief operating fund of the City. The General Fund ended the year with a fund balance of \$3,558,515, an increase of \$156,198 from fiscal year 2023. The health of the General Fund may be measured by the ratio of unassigned fund balance to annual expenditures and transfers. The unassigned fund balance represents 71 percent of the General Fund's expenditures and transfers (57 percent in the prior year).

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the Sewer Fund and Water Fund increased by \$835,988 and \$1,272,413, respectively. The result was an overall net increase in the proprietary funds of \$2,108,401.

General Fund Budget

During the current fiscal year, the City made several amendments to its original General Fund budget. The most significant of those is listed below:

- Public safety—inspections expenditures were originally budgeted for \$67,408 and were amended up to \$367,408 due to additional unplanned activity.
- Capital outlay was originally budgeted for \$101,250 and was amended up to \$186,250 due to additional projects during the year.

Budget Variations

The following comments summarize the major variations from the final budget to actual revenues and expenditures:

- Licenses and permits revenues were over budget by \$167,456 due to unanticipated major projects that occurred in the City during the year.
- Intergovernmental revenues – State were over budget by \$282,899 due to conservative budgeting of State revenue sharing and personal property tax replacement funding.
- Investment earnings were over budget by \$129,853 due to significantly higher than expected interest rates.
- Other revenues were over budget by \$146,747 due to unexpected proceeds from insurance settlements due to traffic damage.
- Elections expenditures were under budget by \$37,297 due to conservative budgeting.
- Computer services expenditures were under budget by \$39,808 due to conservative budgeting.
- Public safety—inspections expenditures were under budget due to less projects than expected after amendment.

Capital Assets

The City investment in capital assets for its governmental and business-type activities as of June 30, 2024 totaled \$30,919,370 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, equipment and vehicles, and sewer and water systems.

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

- Museum train car enclosure was completed at a total cost of \$165,472.
- Department of Public Works entrance paving at a total cost of \$181,230.
- Sidewalks projects at a total cost of \$59,598.
- Main Street lift station pump at a total cost of \$39,686.
- Water, sewer, and road construction related to River Street projects.
- Water construction related to Venna Place, Vida Circle, and East Street projects.

**CAPITAL ASSETS
(Net of Accumulated Depreciation)**

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Land	\$ 130,051	\$ 130,051	\$ 76,473	\$ 76,473	\$ 206,524	\$ 206,524
Construction in progress	885,491	74,000	1,584,897	49,358	2,470,388	123,358
Land improvements	972,054	770,886	438,500	472,231	1,410,554	1,243,117
Buildings and improvements	428,709	359,111	-	-	428,709	359,111
Vehicles and equipment	244,842	292,072	21,890	30,390	266,732	322,462
Infrastructure	2,293,428	2,551,735	-	-	2,293,428	2,551,735
Sewer system	-	-	16,415,696	16,972,803	16,415,696	16,972,803
Water system	-	-	7,427,339	7,702,673	7,427,339	7,702,673
Total	\$ 4,954,575	\$ 4,177,855	\$ 25,964,795	\$ 25,303,928	\$ 30,919,370	\$ 29,481,783

Additional information on the City’s capital assets can be found in Note F of the “Notes to Financial Statements” of this report.

Debt Administration

At the end of the 2024 fiscal year, the City had total outstanding debt of \$2,672,514 consisting of revenue bonds and compensated absences.

OUTSTANDING DEBT

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Revenue bonds	\$ -	\$ -	\$ 2,612,000	\$ 2,876,000	\$ 2,612,000	\$ 2,876,000
Compensated absences	49,876	58,068	10,638	10,650	60,514	68,718
Total	\$ 49,876	\$ 58,068	\$ 2,622,638	\$ 2,886,650	\$ 2,672,514	\$ 2,944,718

The City’s total debt decreased by \$272,204 during the fiscal year. This decrease is a result of the normal scheduled debt service payments.

Additional information on the City’s long-term debt can be found in Note H of the “Notes to Financial Statements” of this report.

Economic Factors Bearing on the City's Future

We are pleased to report that during the last fiscal year the City of Coopersville continued to experience a period of robust economic expansion and strong financial stability. As in years past, many of the key discussion points remain largely the same for Coopersville this year. Our historical and stable bond rating signified that the City has continued to manage its fiscal policy in a conservative, deliberate, and responsible fashion while at the same time, making significant investments within the City's infrastructure.

The City is very fortunate to continue experiencing such 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. We are fortunate in that the City is approximately sixty percent built out and there are opportunities for new construction to sustain modest general fund revenues without adjustments to our millage rate.

Over the past couple of years, Coopersville's financial health has strengthened. Our revenues are up due to increased tax revenues, revenue sharing, and grants. The additional funds allow the City to invest in its vital infrastructure projects, public safety enhancements, and community services. Our budgetary policies and fiscal management strategies have led to a healthy general fund and maintain a forty percent fund balance policy. A fund balance policy helps the City to ensure that we have the resources to address unforeseen financial challenges. The City continues to have achieved a balanced budget, demonstrating our commitment to fiscal responsibility.

Debt Reduction: The City continues to make strides at successfully reducing our long-term debt, positioning Coopersville for greater financial flexibility in the years ahead.

Economic Growth: The City continues to see significant expansion with existing businesses and new businesses calling Coopersville "home."

Downtown Revitalization: The ongoing streetscapes improvements are enhancing the attractiveness of our downtown area. The Downtown Development Authority has been partnering with the Coopersville Rotary Club to host a series of free Music on Main Street community events throughout the summer bringing hundreds of people to our historic downtown area.

Infrastructure Investments: In the last fiscal year significant investments within the City water, sanitary sewer, storm sewer, and roadways. A new water main and storm sewer was installed along Vida Circle/Venna Place followed by resurfacing of the roads. Construction crews began installing a new water main along a stretch of East Street. River Street was widened and completely reconstructed after a new storm sewer and sanitary sewer was installed.

Community Development: Beyond financial and economic metrics, the well-being of our community remains our top priority. We are investing in quality-of-life improvements that make Coopersville a great place to live, work, and play. Some of these investments include preserving the City's history of transportation at the Historical Museum, focusing on improvements to our Senior Recreation program, planning for the future North Bank Trail, replacing deteriorating and unsafe sidewalks, improvements to the City parks and baseball fields. Staff have spent a considerable amount of time and effort on securing various Bridge Bundle, Safe Routes to School, and other community investment grants.

Affordable Housing: Initiatives to increase the availability of affordable housing have been an ongoing process and are progressing, ensuring that all residents have access to safe and affordable housing.

Public Safety: Strengthening our public safety infrastructure, including the addition of a new full-time firefighter and providing resources for our first responders continues to be a large focus.

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).

The City worked with Muskegon County in successfully securing a \$60 million Strategic Outreach and Attraction Reserve (SOAR) grant which will be used to construct the 19 mile Southeast Regional Force Main. This force main will allow wastewater that is currently treated by the City to be sent to the Muskegon County Resource Recovery Center.

The City and the entire United States are still feeling the effects involving the high inflation rates over the last few years. The inflation rates greatly impacted wages, construction bids, and construction materials.

As 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 and other undeveloped land continues, it will help facilitate that diversification.

City Council continues to address unfunded pension liabilities by contributing more than the required amount to MERS General Division.

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.

In conclusion, the City of Coopersville is on a strong trajectory of growth and stability. Our achievements are a testament to the collaborative efforts of our city staff, local businesses, and most importantly, our residents. Together, we are building a prosperous and resilient community.

Thank you for your continued support and engagement. As always, we welcome your feedback and look forward to working together to ensure Coopersville's bright future.

Requests for Information

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

City of Coopersville
STATEMENT OF NET POSITION
June 30, 2024

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Unit</u>
ASSETS				
Current assets				
Cash and investments	\$ 6,304,557	\$ 11,195,050	\$ 17,499,607	\$ 443,734
Receivables				
Accounts	19,024	1,317,688	1,336,712	-
Special assessments	2,568	-	2,568	-
Due from other governmental units	194,599	23,153	217,752	-
Internal balances	(271,335)	271,335	-	-
Prepaid items	11,898	-	11,898	-
Total current assets	6,261,311	12,807,226	19,068,537	443,734
Noncurrent assets				
Capital assets, net				
Nondepreciable	1,015,542	1,661,370	2,676,912	-
Depreciable	3,939,033	24,303,425	28,242,458	-
Total noncurrent assets	4,954,575	25,964,795	30,919,370	-
Total assets	11,215,886	38,772,021	49,987,907	443,734
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	290,530	81,944	372,474	-
Total assets and deferred outflows of resources	11,506,416	38,853,965	50,360,381	443,734
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	743,384	726,607	1,469,991	11,248
Due to other governmental units	79,119	104,119	183,238	-
Unearned revenues—prepaid fees	3,693	-	3,693	-
Bonds and other obligations, due within one year	24,938	277,318	302,256	-
Total current liabilities	851,134	1,108,044	1,959,178	11,248
Noncurrent liabilities				
Bonds and other obligations, less amounts due within one year	24,938	2,345,320	2,370,258	-
Net pension liability	1,146,685	323,424	1,470,109	-
Total noncurrent liabilities	1,171,623	2,668,744	3,840,367	-
Total liabilities	2,022,757	3,776,788	5,799,545	11,248
NET POSITION				
Net investment in capital assets	4,258,794	22,873,721	27,132,515	-
Restricted				
Construction code activities	378,992	-	378,992	-
Cemetery	66,372	-	66,372	-
Streets and highways	1,601,299	-	1,601,299	-
Unrestricted	3,178,202	12,203,456	15,381,658	432,486
Total net position	\$ 9,483,659	\$ 35,077,177	\$ 44,560,836	\$ 432,486

The accompanying notes are an integral part of this statement.

City of Coopersville
STATEMENT OF ACTIVITIES
For the year ended June 30, 2024

Functions/Programs	Program Revenue				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	
Primary government								
Governmental activities								
General government	\$ 725,270	\$ 78,447	\$ -	\$ 26,955	\$ (619,868)	\$ -	\$ (619,868)	\$ -
Public safety	1,653,452	243,960	3,111	-	(1,406,381)	-	(1,406,381)	-
Public works	1,224,818	375,791	658,716	97	(190,214)	-	(190,214)	-
Community and economic development	133,748	-	-	-	(133,748)	-	(133,748)	-
Culture and recreation	667,939	181,372	-	152,098	(334,469)	-	(334,469)	-
Total governmental activities	4,405,227	879,570	661,827	179,150	(2,684,680)	-	(2,684,680)	-
Business-type activities								
Sewer	3,130,709	3,477,955	-	-	-	347,246	347,246	-
Water	2,216,495	3,328,854	-	-	-	1,112,359	1,112,359	-
Total business-type activities	5,347,204	6,806,809	-	-	-	1,459,605	1,459,605	-
Total primary government	\$ 9,752,431	\$ 7,686,379	\$ 661,827	\$ 179,150	(2,684,680)	1,459,605	(1,225,075)	-
Component unit								
Downtown Development Authority	\$ 356,531	\$ 12,680	\$ -	\$ -	-	-	-	(343,851)
General revenues								
Property taxes					2,299,809	-	2,299,809	400,000
Grants and contributions not restricted to specific programs					1,182,899	-	1,182,899	-
Unrestricted investment earnings					325,952	572,995	898,947	28,454
Miscellaneous					18,141	79,914	98,055	1,724
Gain on disposal of capital assets					6,176	-	6,176	-
Total general revenues					3,832,977	652,909	4,485,886	430,178
Change in net position					1,148,297	2,112,514	3,260,811	86,327
Net position at beginning of year, as restated					8,335,362	32,964,663	41,300,025	346,159
Net position at end of year					\$ 9,483,659	\$ 35,077,177	\$ 44,560,836	\$ 432,486

The accompanying notes are an integral part of this statement.

City of Coopersville
BALANCE SHEET
 Governmental Funds
 June 30, 2024

	General Fund	Local Streets Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 3,652,397	\$ 1,436,076	\$ 744,854	\$ 5,833,327
Receivables				
Accounts	7,249	-	600	7,849
Special assessments	-	-	2,568	2,568
Due from other governmental units	92,175	27,463	74,960	194,598
Prepaid items	10,898	11,175	-	22,073
Total assets	\$ 3,762,719	\$ 1,474,714	\$ 822,982	\$ 6,060,415
LIABILITIES				
Accounts payable	\$ 106,853	\$ 601,263	\$ 3,826	\$ 711,942
Accrued liabilities	22,926	2,463	3,426	28,815
Due to other governmental units	70,731	5,033	3,355	79,119
Unearned revenues—prepaid fees	3,694	-	-	3,694
Total liabilities	204,204	608,759	10,607	823,570
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues—long-term receivables	-	-	2,568	2,568
FUND BALANCES				
Nonspendable—prepaid items	10,898	11,175	-	22,073
Restricted				
Construction code activities	378,992	-	-	378,992
Cemetery operations	-	-	66,372	66,372
Streets and highways	-	854,780	735,344	1,590,124
Assigned				
Debt service	-	-	8,091	8,091
Subsequent year's budget appropriation of fund balance	128,900	-	-	128,900
Unassigned	3,039,725	-	-	3,039,725
Total fund balances	3,558,515	865,955	809,807	5,234,277
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,762,719	\$ 1,474,714	\$ 822,982	\$ 6,060,415

The accompanying notes are an integral part of this statement.

City of Coopersville
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION**
 June 30, 2024

Total fund balance—governmental funds \$ 5,234,277

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

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

Cost of capital assets	\$ 10,327,051	
Accumulated depreciation	<u>(5,582,200)</u>	4,744,851

Special assessment revenue is not recognized until it is receivable in the current period and therefore is shown as deferred revenue in the governmental funds.		2,568
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Long-term liabilities in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Compensated absences	(49,876)	
Net pension liability and related deferred outflows/inflows of resources	<u>(856,155)</u>	(906,031)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the Statement of Net Position.

Net position of the internal service funds	679,329	
Internal balances representing the cumulative differences between actual costs and amounts charged to business-type activities	<u>(271,335)</u>	<u>407,994</u>

Net position of governmental activities		<u>\$ 9,483,659</u>
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The accompanying notes are an integral part of this statement.

City of Coopersville
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Governmental Funds
 For the year ended June 30, 2024

	General Fund	Local Streets Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 2,209,962	\$ 89,847	\$ -	\$ 2,299,809
Licenses and permits	252,456	-	-	252,456
Intergovernmental revenues				
State	1,182,899	183,215	475,501	1,841,615
Local	-	-	24,000	24,000
Charges for services	413,693	-	27,543	441,236
Fines and forfeitures	5,197	-	-	5,197
Investment earnings	199,853	66,643	38,228	304,724
Other	161,747	158,989	9,908	330,644
Total revenues	<u>4,425,807</u>	<u>498,694</u>	<u>575,180</u>	<u>5,499,681</u>
EXPENDITURES				
Current				
General government	615,341	-	46,367	661,708
Public safety	1,564,077	-	79,964	1,644,041
Public works	298,356	216,177	412,499	927,032
Community and economic development	129,388	-	-	129,388
Culture and recreation	542,429	-	-	542,429
Capital outlay	235,018	966,666	28,557	1,230,241
Total expenditures	<u>3,384,609</u>	<u>1,182,843</u>	<u>567,387</u>	<u>5,134,839</u>
Excess of revenues over (under) expenditures	1,041,198	(684,149)	7,793	364,842
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	920,000	-	925,000
Transfers out	(890,000)	-	(35,000)	(925,000)
Total other financing sources (uses)	<u>(885,000)</u>	<u>920,000</u>	<u>(35,000)</u>	<u>-</u>
Net change in fund balances	156,198	235,851	(27,207)	364,842
Fund balances at beginning of year	3,402,317	630,104	837,014	4,869,435
Fund balances at end of year	<u>\$3,558,515</u>	<u>\$ 865,955</u>	<u>\$ 809,807</u>	<u>\$ 5,234,277</u>

The accompanying notes are an integral part of this statement.

City of Coopersville
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**
 For the year ended June 30, 2024

Net change in fund balances—total governmental funds \$ 364,842

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

Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	\$ (447,980)	
Capital outlay	<u>1,230,241</u>	782,261

Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.		26,954
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Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(513)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	8,192	
Change in net pension liability and related deferred outflows/inflows of resources	<u>(68,556)</u>	(60,364)

The internal service fund is used by management to charge the costs of equipment used to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.

Change in net position of the internal service fund	39,230	
Change in internal balances representing the current year difference between actual costs and amounts charged to business-type activities	<u>(4,113)</u>	<u>35,117</u>

Change in net position of governmental activities		<u><u>\$ 1,148,297</u></u>
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The accompanying notes are an integral part of this statement.

City of Coopersville
STATEMENT OF NET POSITION
Proprietary Funds
June 30, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Water	Total	
ASSETS				
Current assets				
Cash and investments	\$ 7,866,508	\$ 3,328,542	\$ 11,195,050	\$ 471,230
Accounts receivable	648,751	668,937	1,317,688	-
Due from other governmental units	-	23,153	23,153	-
Prepaid items	-	-	-	1,000
Total current assets	8,515,259	4,020,632	12,535,891	472,230
Noncurrent assets				
Capital assets				
Land	47,250	29,223	76,473	-
Land improvements	505,962	-	505,962	-
Utility systems	25,675,927	11,968,424	37,644,351	-
Vehicles and equipment	128,859	3,226	132,085	1,421,519
Construction in progress	866,517	718,380	1,584,897	-
Less accumulated depreciation	(9,434,662)	(4,544,311)	(13,978,973)	(1,211,795)
Total noncurrent assets	17,789,853	8,174,942	25,964,795	209,724
Total assets	26,305,112	12,195,574	38,500,686	681,954
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	40,972	40,972	81,944	-
Total assets and deferred outflows of resources	26,346,084	12,236,546	38,582,630	681,954
LIABILITIES				
Current liabilities				
Accounts payable	281,624	398,288	679,912	1,934
Accrued liabilities	29,457	11,538	40,995	691
Customer deposits	2,100	3,600	5,700	-
Due to other governmental units	-	104,119	104,119	-
Bonds and other obligations, due within one year	274,659	2,659	277,318	-
Total current liabilities	587,840	520,204	1,108,044	2,625
Noncurrent liabilities				
Bonds and other obligations, less amounts due within one year	2,342,660	2,660	2,345,320	-
Net pension liability	161,712	161,712	323,424	-
Total noncurrent liabilities	2,504,372	164,372	2,668,744	-
Total liabilities	3,092,212	684,576	3,776,788	2,625
NET POSITION				
Net investment in capital assets	15,028,953	7,844,768	22,873,721	209,724
Unrestricted	8,224,919	3,707,202	11,932,121	469,605
Total net position	<u>\$ 23,253,872</u>	<u>\$ 11,551,970</u>	34,805,842	<u>\$ 679,329</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time			271,335	
Net position of business-type activities			<u>\$ 35,077,177</u>	

The accompanying notes are an integral part of this statement.

City of Coopersville
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Proprietary Funds
For the year ended June 30, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Water	Total	
OPERATING REVENUES				
Charges for services	\$ 3,462,020	\$ 3,313,412	\$ 6,775,432	\$ 292,421
Fees	7,895	9,693	17,588	-
Other	77,354	2,560	79,914	4,407
Total operating revenues	3,547,269	3,325,665	6,872,934	296,828
OPERATING EXPENSES				
Water purchases	-	1,264,266	1,264,266	-
Operations	2,405,547	706,876	3,112,423	191,172
Depreciation	639,024	248,329	887,353	93,829
Total operating expenses	3,044,571	2,219,471	5,264,042	285,001
Operating income (loss)	502,698	1,106,194	1,608,892	11,827
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	412,525	160,470	572,995	21,227
Connection fees	8,040	5,749	13,789	-
Gain on sale of capital assets	-	-	-	6,176
Interest expense	(87,275)	-	(87,275)	-
Total nonoperating revenues (expenses)	333,290	166,219	499,509	27,403
Change in net position	835,988	1,272,413	2,108,401	39,230
Net position at beginning of year, as restated	22,417,884	10,279,557		640,099
Net position at end of year	\$ 23,253,872	\$ 11,551,970		\$ 679,329
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds			4,113	
Change in net position of business-type activities			\$ 2,112,514	

The accompanying notes are an integral part of this statement.

City of Coopersville
STATEMENT OF CASH FLOWS
Proprietary Funds
For the year ended June 30, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Water	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,225,546	\$ 3,051,533	\$ 6,277,079	\$ 46,426
Receipts from interfund services provided	-	-	-	250,402
Payments to suppliers	(2,169,167)	(1,829,658)	(3,998,825)	(191,153)
Payments to employees	(299,027)	(343,641)	(642,668)	-
Payment for interfund services used	(23,649)	(61,908)	(85,557)	-
Net cash provided by (used for) operating activities	733,703	816,326	1,550,029	105,675
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection fees	8,040	5,749	13,789	-
Purchases of capital assets	(757,303)	(338,846)	(1,096,149)	(61,334)
Principal paid on capital debt	(264,000)	-	(264,000)	-
Interest paid on capital debt	(89,374)	-	(89,374)	-
Proceeds from sale of capital assets	-	-	-	6,176
Net cash provided by (used for) capital and related financing activities	(1,102,637)	(333,097)	(1,435,734)	(55,158)
CASH FLOW FROM INVESTING ACTIVITIES				
Investment earnings	412,525	160,470	572,995	21,227
Net increase (decrease) in cash and investments	43,591	643,699	687,290	71,744
Cash and investments at beginning of year	7,822,917	2,684,843	10,507,760	399,486
Cash and investments at end of year	\$ 7,866,508	\$ 3,328,542	\$ 11,195,050	\$ 471,230
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 502,698	\$ 1,106,194	\$ 1,608,892	\$ 11,827
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation expense	639,024	248,329	887,353	93,829
Change in assets and liabilities				
Accounts receivable	(321,723)	(319,391)	(641,114)	-
Due from other governmental units	-	45,259	45,259	-
Accounts payable	(97,029)	(380,647)	(477,676)	(227)
Customer deposits	-	300	300	-
Due to other governmental units	-	104,119	104,119	-
Accrued liabilities	10,733	12,163	22,896	246
Net cash provided by (used for) operating activities	\$ 733,703	\$ 816,326	\$ 1,550,029	\$ 105,675

The accompanying notes are an integral part of this statement.

City of Coopersville
STATEMENT OF NET POSITION
 Fiduciary Funds
 June 30, 2024

	Custodial Funds	
	Tax Collection	Meadow Green Escrow
ASSETS		
Cash and investments	\$ -	\$ 20,585
LIABILITIES		
Due to other governmental units	-	14,000
NET POSITION		
Restricted for individuals and other governments	\$ -	\$ 6,585

The accompanying notes are an integral part of this statement.

City of Coopersville
STATEMENT OF CHANGES IN NET POSITION
 Fiduciary Funds
 For the year ended June 30, 2024

	Custodial Funds	
	Tax Collection	Meadow Green Escrow
ADDITIONS		
Property taxes collections for other governments	\$ 5,420,608	\$ -
Investment earnings	-	1,001
Total additions	5,420,608	1,001
DEDUCTIONS		
Payments of property taxes to other governments	5,420,608	-
Change in net position	-	1,001
Net position at beginning of year	-	5,584
Net position at end of year	\$ -	\$ 6,585

The accompanying notes are an integral part of this statement.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Coopersville (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member City Council and is administered by a city manager appointed by the City Council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

Discretely Presented Component Unit

Downtown Development Authority (DDA). The DDA's purpose is the collection of tax increment revenues and the financing of improvements within the DDA's district of the City. Board members of the DDA are appointed by the Chief Executive Officer subject to approval of the City Council and the Authority is fiscally dependent on the City since the council approves the DDA budget and must approve any debt issuance. The DDA is presented as a governmental fund type.

Basis of Presentation—Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. 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.

As discussed earlier, the City's discretely presented component unit is reported in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The Local Streets Fund accounts for money distributed by the State of Michigan for the construction and maintenance of the City's local streets.

The City reports the following major proprietary funds:

The Sewer Fund operates the City's sewage pumping station, collection systems, and treatment facility.

The Water Fund operates the City's water distribution system.

Additionally, the City reports the following fund types:

The Internal Service Fund accounts for equipment management services provided to other funds of the government on a cost reimbursement basis.

The Custodial Funds are used to report resources that were collected for the benefit of others.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

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

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City are reported at fair value (generally based on quoted market prices).

The City has adopted an investment policy in compliance with State of Michigan statutes. Those statutes authorize the City to invest in obligations of the United States, certificates of deposit, prime commercial paper, securities guaranteed by United States agencies or instrumentalities, United States government or federal agency obligation repurchase agreements, bankers' acceptances, state-approved investment pools and certain mutual funds.

The component unit's cash and investments are maintained within the City's investment pool.

Prepaid Items

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

Capital Assets

Capital assets, which include property, plant, 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. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for governmental activities and \$10,000 for business-type activities and an estimated useful life in excess of two years.

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

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Land improvements	5-10
Buildings and improvements	20-40
Vehicles and equipment	3-20
Infrastructure	15-25
Water and sewer systems	10-50

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Defined Benefit Plan

The City offers a defined benefit pension plan to its employees through Municipal Employees Retirement System (MERS). The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the 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 Plan and additions to/deductions from the Plan's 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.

Deferred Outflows/Inflows of Resources

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

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

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts of net position to report as restricted and unrestricted in the government-wide 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.

Fund Balance Flow Assumptions

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

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Fund Balance Policies

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

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

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

The City has a minimum fund balance policy requiring unassigned fund balance in the General Fund be at least 40 percent of the average of the past three fiscal years’ revenues in the General Fund.

Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

All trade and property tax receivables are shown net of allowance for uncollectibles.

The City bills and collects its own property taxes and also collects taxes for the county, school, and State of Michigan. Taxes are levied and lien on July 1 on the taxable valuation of property (as defined by state statutes) located in the Local Governmental Unit as of the preceding December 31. Uncollected real property taxes as of the following March 1 are turned over by the City to the County for collection. The County advances the City all of these delinquent real property taxes. The delinquent personal property taxes remain the responsibility of the City. The City recognizes all available revenue from the current tax levy. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 2023 state taxable value for real/personal property of the City totaled approximately \$154,911,000, of which approximately \$33,079,000 was captured by the component unit. The ad valorem taxes levied consisted of 13 mills for operations. These amounts are recognized in the General Fund with captured amounts shown in the DDA component unit.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Revenues and Expenditures/Expenses—Continued

Compensated Absences

City employees are granted PTO and sick leave in varying amounts based on length of service and employee group. Unused PTO and sick leave days are paid to employees upon termination under limits that vary by employee group. The liability for these compensated absences is accrued when incurred in the government-wide financial statements. The current portion of this liability is estimated based on historical trends. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues 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 revenues are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

Excess of Expenditures Over Appropriations

During the year ended June 30, 2024, actual expenditures exceeded appropriations for capital outlay in the General Fund by \$48,768. These over-expenditures were funded with available fund balance.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE C—DEPOSITS AND INVESTMENTS

As of June 30, 2024, the City had the following investments:

Investment Type	Fair value	Weighted Average Maturity (Days)	S&P	Percent
External investment pools				
Comerica Government Cash Investment Fund	\$ 15,484,540	30	not rated	91.8 %
Michigan CLASS	<u>1,379,871</u>	<u>85</u>	AAAm	<u>8.2</u>
Total fair value	<u>\$ 16,864,411</u>			<u>100.0 %</u>
Portfolio weighted average maturity		<u>35</u>		

The City voluntarily invests certain excess funds in external investment pools (Pools). The Pools are external investment pools of "qualified" investments for Michigan municipalities. The Pools are not regulated nor registered with the SEC. The fair value of the City's investments is the same as the value of the Pool shares.

Deposit and Investment Risks

Interest Rate Risk

The City's investment policy limits investments in bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States to those with remaining maturities of two years or less (unless purchased for a debt retirement or other long-term investment account). The investment policy also limits investments in certificates of deposit to those with maturities of five years or less.

Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The City's investment policy requires that not more than 50 percent of the City's investments be held in commercial paper or United States government or federal agency obligation repurchase agreements and not more than 25 percent be held in bankers' acceptances of United States banks.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2024, \$253,799 of the City's bank balance of \$540,280 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments

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

Foreign Currency Risk

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

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE D—ASSETS MANAGED BY OTHERS

As allowed by MCL 123.874 and MCL 128.4, the City is permitted to place monies in community foundations.

The Funds

The City has five funds with the Grand Haven Area Community Foundation (Foundation).

Coopersville Area Historical Museum Building Fund

The Coopersville Area Historical Museum Building Fund was established after the Foundation received monies from the Coopersville Historical Society intended for operations, program development, and program implementation in order to support the Coopersville Historical Society’s mission. The agreement with the Foundation allows the use of the Fund’s principal and income in accordance with the Foundation’s spending policy.

City of Coopersville Recreation Fund

The City of Coopersville Recreation Fund was established by the City to primarily used to provide for the recreational needs of the citizens of Coopersville. The agreement with the Foundation allows the use of the Fund’s income in accordance with the Foundation’s spending policy and principal in certain circumstances.

Coopersville Area Historical Museum Fund

The Coopersville Area Historical Museum Fund was established after the Foundation received monies from the Coopersville Historical Society intended for operations, program development, and program implementation in order to support the Coopersville Historical Society’s mission. The agreement with the Foundation allows the use of the Fund’s income in accordance with the Foundation’s spending policy and principal in certain circumstances.

Michael’s Gift of Child Burial Assistance

The Michael’s Gift of Child Burial Assistance Fund was established after the City received monies from the family of Michael H. Salberg to be used to support families who have lost children with associated burial costs. The agreement with the Foundation allows the use of the Fund’s principal and income in accordance with the Foundation’s spending policy.

Coopersville Roundabout Beautification Fund

The Coopersville Roundabout Beautification Fund was established by the City to primarily be used for the beautification and purchasing of flags at the City’s roundabout. The agreement with the Foundation allows the use of the Fund’s principal and income at the discretion of the Foundation Board.

The Community Foundation invests the contributions to the funds in various types of marketable equity and debt securities, U.S. Treasuries, commercial paper, and certificates of deposit. The majority of investments are uninsured and uncollateralized.

Reporting of the Assets of the Funds

The contributions to these funds made by third party donors directly to the Community Foundation have been excluded from the assets of the City.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE D—ASSETS MANAGED BY OTHERS—Continued

Summary of the Community Foundation Funds

A summary of revenues, expenses, and changes in the assets at fair value of the funds for the year ended June 30, 2024 follows:

	Historical Museum Building Fund	Recreation Fund	Historical Museum Fund	Michael's Gift of Child Burial Assistance	Coopersville Roundabout Beautification Fund	Totals
Revenues						
Contributions	\$ 4,151	\$ 2,500	\$ 250	\$ -	\$ 570	\$ 7,471
Dividends and interest	522	2,958	788	321	160	4,749
Realized and unrealized gain (loss) on investments	2,362	17,260	3,361	1,821	955	25,759
	<u>7,035</u>	<u>22,718</u>	<u>4,399</u>	<u>2,142</u>	<u>1,685</u>	<u>37,979</u>
Expenses						
Grants and scholarships	28,979	5,000	47,171	1,300	1,219	83,669
Administration fees	257	1,386	318	217	109	2,287
	<u>(22,201)</u>	<u>16,332</u>	<u>(43,090)</u>	<u>625</u>	<u>357</u>	<u>(47,977)</u>
Total assets at beginning of year	<u>33,532</u>	<u>123,627</u>	<u>54,725</u>	<u>14,114</u>	<u>6,666</u>	<u>232,664</u>
Total assets at end of year	11,331	139,959	11,635	14,739	7,023	184,687
Less assets recorded as those of the Foundation	<u>(11,331)</u>	<u>(139,959)</u>	<u>(11,635)</u>	<u>(14,739)</u>	<u>(7,023)</u>	<u>(184,687)</u>
Assets reported on the Balance Sheet/Statement of Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Board of Trustees of the Community Foundation has the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served. The authority to modify restrictions is sometimes referred to as “variance power” and is a legal standard imposed on all community foundations.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE E—FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

External investment pools: The assets are valued based upon the City's allocable share of the pooled investment portfolio (Pools). The allocable shares are based on the value of the underlying assets owned by the Pools, minus their liabilities.

The assets managed by others are valued monthly by the Pools and are allocated based upon each organization's calculated share of the Pool's pooled investment portfolio. Each entity with an interest within the pooled investments received statements from the Pool indicating the additions to the investments (via contributions), withdrawals from the investments (via grants), and the investment returns allocated via a unitization process. The City calculates the fair value of its share of the pooled investment assets held by the Pools based on the estimated fair value of the underlying assets. The Pools controls the investments and makes all management and investment decisions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE E—FAIR VALUE MEASUREMENTS—Continued

The following table sets forth by level, within the fair value hierarchy, the City’s assets at fair value on a recurring basis as of June 30, 2024:

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
External investment pools	\$ -	\$16,864,411	\$ -	\$16,864,411

NOTE F—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023, as restated	Additions	Deductions	Balance June 30, 2024
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 130,051	\$ -	\$ -	\$ 130,051
Construction in progress	74,000	811,491	-	885,491
Total capital assets, not being depreciated	204,051	811,491	-	1,015,542
Capital assets, being depreciated:				
Land improvements	2,255,254	280,231	20,458	2,515,027
Buildings and improvements	1,354,266	165,473	200,051	1,319,688
Vehicles and equipment	1,729,529	61,334	29,652	1,761,211
Infrastructure	5,137,102	-	-	5,137,102
Total capital assets, being depreciated	10,476,151	507,038	250,161	10,733,028
Less accumulated depreciation:				
Land improvements	1,484,368	79,063	20,458	1,542,973
Buildings and improvements	995,155	95,875	200,051	890,979
Vehicles and equipment	1,437,457	108,564	29,652	1,516,369
Infrastructure	2,585,367	258,307	-	2,843,674
Total accumulated depreciation	6,502,347	541,809	250,161	6,793,995
Total capital assets, being depreciated, net	3,973,804	(34,771)	-	3,939,033
Capital assets, net	\$ 4,177,855	\$ 776,720	\$ -	\$ 4,954,575

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE F—CAPITAL ASSETS—Continued

	Balance July 1, 2023, as restated	Additions	Deductions	Balance June 30, 2024
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 76,473	\$ -	\$ -	\$ 76,473
Construction in progress	49,358	1,535,539	-	1,584,897
Total capital assets, not being depreciated	125,831	1,535,539	-	1,661,370
Capital assets, being depreciated:				
Land improvements	505,962	-	-	505,962
Sewer system	25,648,255	39,686	12,015	25,675,926
Water system	11,996,165	-	27,741	11,968,424
Machinery and equipment	143,966	-	11,880	132,086
Total capital assets, being depreciated	38,294,348	39,686	51,636	38,282,398
Less accumulated depreciation:				
Land improvements	33,731	33,731	-	67,462
Sewer system	8,675,452	596,793	12,015	9,260,230
Water system	4,293,492	248,329	736	4,541,085
Machinery and equipment	113,576	8,500	11,880	110,196
Total accumulated depreciation	13,116,251	887,353	24,631	13,978,973
Total capital assets, being depreciated, net	25,178,097	(847,667)	27,005	24,303,425
Capital assets, net	\$ 25,303,928	\$ 687,872	\$ 27,005	\$ 25,964,795

Depreciation

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 34,058
Public safety	8,717
Public works	286,167
Culture and recreation	119,038
Internal Service Fund depreciation is charged to the various programs based on their usage of the assets	93,829
	\$ 541,809

Business-type activities:

Sewer	\$ 639,024
Water	248,329
	\$ 887,353

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE G—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2024 is as follows:

Interfund Transfers

	<u>Transfers in:</u>			<u>Purpose</u>
	<u>General Fund</u>	<u>Local Streets Fund</u>	<u>Total</u>	
Transfers out:				
General Fund	\$ -	\$ 890,000	\$ 890,000	Street improvements
Other governmental funds	5,000	30,000	35,000	Street improvements and administrative reimbursement
	<u>\$ 5,000</u>	<u>\$ 920,000</u>	<u>\$ 925,000</u>	

NOTE H—LONG-TERM DEBT

Summary of Changes in Long-Term Liabilities

The following is a summary of long-term liabilities activity for the City for the year ended June 30, 2024:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 58,068	\$ 48,564	\$ 56,756	\$ 49,876	\$ 24,938
Business-type activities:					
Public placement debt					
Revenue bonds	\$ 2,876,000	\$ -	\$ 264,000	\$ 2,612,000	\$ 272,000
Compensated absences	10,650	12,935	12,947	10,638	5,318
Business-type activities long-term liabilities	<u>\$ 2,886,650</u>	<u>\$ 12,935</u>	<u>\$ 276,947</u>	<u>\$ 2,622,638</u>	<u>\$ 277,318</u>

The revenue bonds are not backed by the full faith and credit of the City. The income derived from the acquired or constructed assets is pledged to pay debt service.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE H—LONG-TERM DEBT—Continued

Summary of Changes in Long-Term Liabilities—Continued

Public placement debt consists of the following:

	Interest Rate	Date of Maturity	Balance
Governmental activities:			
Public placement debt			
Revenue bonds			
2018 Wastewater Treatment System Revenue			
Refunding Bonds	3.18%	October 2032	\$ 2,612,000

For governmental activities, compensated absences are generally liquidated by the General Fund.

Annual debt service requirements to maturity for public placement debt outstanding as of June 30, 2024 follow:

Year Ending June 30,	Business-type Activities	
	Public Placement Debt	
	Principal	Interest
2025	\$ 272,000	\$ 80,915
2026	281,000	72,202
2027	290,000	63,187
2028	299,000	53,901
2029	309,000	44,313
2030-2033	1,161,000	75,048
	\$ 2,612,000	\$ 389,566

The 2018 Wastewater Treatment System Revenue Refunding Bonds include a covenant that net revenues from the sewage treatment plant should yield at least one hundred ten percent of annual debt service requirements on the bonds for each upcoming year. The City was in compliance in all material respects with all revenue bond ordinances at June 30, 2024.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE I—OTHER INFORMATION

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters for which the government carries commercial insurance. The City manages its liability and property risk by participating in the Michigan Municipal League (MML), a public entity risk pool providing property and liability coverage to its participating members. The City pays an annual premium to MML for its insurance coverage. The MML is self-sustaining through member premiums and provides, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence-based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Various deductibles are maintained to place the responsibility for small charges with the insured. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability to the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Joint Ventures

Coopersville-Polkton Area Fire Protection Authority

The City is a member of the Coopersville-Polkton Area Fire Protection Authority (Fire Authority). The Fire Authority was created by the Charter Township of Polkton and the City of Coopersville to provide fire protection services. The Fire Authority is governed by a Fire Board consisting of four members, two of which are appointed by the City. For the year ended June 30, 2024, the City paid \$431,798 to the Fire Authority for fire protection services based on a predetermined formula between the two members. The City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements can be obtained from the Fire Authority (30 Conran Dr., Coopersville, MI 49404).

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE I—OTHER INFORMATION—Continued

Joint Ventures—Continued

Coopersville-Polkton Joint Building Authority

The City is a member of the Coopersville-Polkton Joint Building Authority (Building Authority). The Building Authority was created by the Charter Township of Polkton and City of Coopersville to finance the construction of a new fire station for use of the Fire Authority. The Building Authority is governed by a Board consisting of three members, one of which is appointed by the City and one of which is appointed jointly by the Township and City. The Building 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 percent. These bonds are backed by the limited tax, full faith and credit of the City and Charter Township of Polkton (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 Charter Township of Polkton 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. For the year ended June 30, 2024, the City paid \$109,400 on behalf of the Building Authority for debt service. The City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements can be obtained from the Fire Authority (30 Conran Dr., Coopersville, MI 49404).

Coopersville-Polkton Cemetery Authority

The City is a member of the Coopersville-Polkton Cemetery Authority (Cemetery Authority). The Cemetery Authority was created by the Charter Township of Polkton and the City of Coopersville to operate a cemetery. The Cemetery Authority is governed by a Cemetery Board consisting of five members, three of which are appointed by the City. Resources and activity for the Cemetery Authority for the year ended June 30, 2024 are presented within the Coopersville-Polkton Cemetery Authority Fund. For the year ended June 30, 2024, the City paid \$12,000 to the Cemetery Authority for operations. The City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements can be obtained from the Cemetery Authority (289 Danforth Street, Coopersville, MI 49404).

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
 June 30, 2024

NOTE I—OTHER INFORMATION—Continued

Commitments

The City has several contracts for streets and other construction projects as of June 30, 2024 with a remaining amount of approximately \$1,597,000. These commitments are to be paid out of available funds as follows:

Fund	Amount
Local Streets	\$ 370,000
Sewer	370,000
Water	857,000
	\$ 1,597,000

NOTE J—TAX ABATEMENTS

The City entered into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Developments Act, (known as the Industrial Facilities Exemptions or IFTs) PA 198 of 1974, as amended. The IFTs 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. Properties qualifying for IFT status are taxed at half the local property tax millage rate applicable to other real and personal property in the City for a term of one to twelve years as determined by the City.

For the year ended June 30, 2024, the City abated property taxes revenues totaling \$349,323 under this program.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE K—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit 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 (MERS) of Michigan. 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 accessing the MERS website at www.mersofmich.com.

Benefits Provided

Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The Plan covers all full-time employees.

Benefits provided by the Plan have a multiplier of 2 percent. Vesting period is 6 years. Normal retirement age is 60 with early retirement at 55 with 25 years of service or reduced early retirement at 50 with 25 years of service or at age 55 with 15 years of service. Final average compensation is calculated based on 5 years.

Employees Covered by Benefit Terms

At the December 31, 2023 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	18
Inactive employees entitled to but not yet receiving benefits	12
Active employees	<u>16</u>
Total employees covered by MERS	<u><u>46</u></u>

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 City may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2024, the City contributions were 17 percent of annual covered payroll. Employee contributions were 4 percent of annual covered payroll.

Net Pension Liability

The City’s net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
 June 30, 2024

NOTE K—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.0 percent in the long-term
Investment rate of return	7.00 percent, net of administrative and investment expenses including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.0 percent long-term wage inflation assumption would be consistent with a price inflation of 3-4 percent. Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014 through 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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-Term Expected Real Rate of Return
Global equity	60.0%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.0%	4.50%	0.90%	2.50%	0.40%
Private assets	20.0%	9.50%	1.90%	2.50%	1.40%
Total	100.0%		7.00%		4.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent for 2023. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expense. The projection of cash flows used to determine the discount rate assumed that employer and employee contributions will be made at rates agreed upon for employees and the actuarially determined rate 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.

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE K—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Position (b)	Net Pension Liability (a)-(b)
Balance at January 1, 2023	\$ 4,137,738	\$ 2,589,453	\$ 1,548,285
Changes for the year			
Service cost	110,157	-	110,157
Interest	295,260	-	295,260
Difference between expected and actual experience	79,530	-	79,530
Changes in assumptions	32,954	-	32,954
Contributions - employer	-	261,876	(261,876)
Contributions - employee	-	43,252	(43,252)
Net investment income (loss)	-	297,108	(297,108)
Administrative expenses	-	(6,159)	6,159
Benefit payments including refund of employee contributions	(240,523)	(240,523)	-
Net changes	277,378	355,554	(78,176)
Balance at December 31, 2023	\$ 4,415,116	\$ 2,945,007	\$ 1,470,109

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.25 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's net pension liability	\$ 1,988,749	\$ 1,470,109	\$ 1,034,957

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE K—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

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

For the year ended June 30, 2024, the City recognized pension expense of \$342,933. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 87,443	\$ -
Differences in assumptions	55,341	-
Net difference between projected and actual net investment income	141,919	-
Contributions subsequent to the measurement date*	87,771	-
Total	\$ 372,474	\$ -

*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, 2025.

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

Year Ending June 30,	Amount
2025	\$ 118,412
2026	102,623
2027	85,118
2028	(21,450)

Payables to the Pension Plan

At June 30, 2024, the City did not have a payable to the pension plan for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

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 full-time employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. The Plan has created a trust for the exclusive benefit of the Plan's participants and beneficiaries under rules provided in Internal Revenue Code Section 401(f).

City of Coopersville
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE L—ECONOMIC DEPENDENCY

General Fund

The City’s General, Sewer, and Water funds have a significant economic dependence on two local corporate entities that are major taxpayers and users of sewer and water services. During the year ended June 30, 2024, the corporations’ billings for sewer and water services approximated 79 percent and 78 percent of total billings in the Sewer and Water funds, respectively, and its property taxes approximated 34 percent of total property tax revenues in the General Fund.

NOTE M—PRIOR PERIOD ADJUSTMENTS

The following prior period adjustments were made to adjust balances as of July 1, 2023:

The beginning balance of capital assets not being depreciated was understated due to unrecorded construction-in-progress totaling \$74,000 for Governmental Activities and \$49,358 for the Water Fund and Business-type Activities. The effects on beginning balances are as follows:

	Governmental Activities	Business-type Activities	Water Fund
	Capital Assets Not Being Depreciated		
Balance at July 1, 2023	\$ 130,051	\$ 76,473	\$ 29,223
Adjustment for unrecorded CIP	74,000	49,358	49,358
Balance at July 1, 2023 as restated	\$ 204,051	\$ 125,831	\$ 78,581

The effects on net position balances are as follows:

	Governmental Activities	Business-type Activities	Water Fund
	Net Position		
Balance at July 1, 2023	\$ 8,261,362	\$ 32,915,305	\$ 10,230,199
Adjustment for unrecorded CIP	74,000	49,358	49,358
Balance at July 1, 2023 as restated	\$ 8,335,362	\$ 32,964,663	\$ 10,279,557

NOTE N—SUBSEQUENT EVENT

In August 2024, the City entered into contracts with various third parties to perform road construction projects for approximately \$525,000. These improvements are expected to be funded with available governmental fund balances.

REQUIRED SUPPLEMENTARY INFORMATION

City of Coopersville
Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
General Fund
For the year ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,165,700	\$ 2,165,700	\$ 2,209,962	\$ 44,262
Licenses and permits	85,000	85,000	252,456	167,456
Intergovernmental revenues—State	900,000	900,000	1,182,899	282,899
Charges for services	396,500	396,500	413,693	17,193
Fines and forfeitures	2,500	2,500	5,197	2,697
Investment earnings	70,000	70,000	199,853	129,853
Other	15,000	15,000	161,747	146,747
Total revenues	3,634,700	3,634,700	4,425,807	791,107
EXPENDITURES				
Current				
General government				
City Council	18,700	18,700	12,101	6,599
City manager	102,288	102,288	70,508	31,780
Clerk	127,718	127,718	113,159	14,559
Treasurer	121,568	121,568	90,379	31,189
Assessor	49,614	49,614	46,948	2,666
Elections	59,000	59,000	21,703	37,297
Attorney	25,000	25,000	17,037	7,963
Computer services	82,443	82,443	42,635	39,808
Board of review	3,430	3,430	2,585	845
Building and grounds	254,873	254,873	198,286	56,587
Public safety				
Police department	854,673	854,673	815,625	39,048
Fire department	486,500	521,500	541,198	(19,698)
Inspections	67,408	367,408	207,254	160,154
Public works				
Street lighting	55,000	55,000	47,308	7,692
Storm sewer	41,265	41,265	32,605	8,660
Sanitation	215,000	215,000	206,443	8,557
Cemetery	12,000	12,000	12,000	-
Community and economic development				
Planning and zoning administration	151,529	151,529	129,388	22,141
Culture and recreation				
Parks	217,967	217,967	201,855	16,112
Recreation	305,822	305,822	285,270	20,552
Historical society	63,204	63,204	55,304	7,900
Capital outlay	101,250	186,250	235,018	(48,768)
Total expenditures	3,416,252	3,836,252	3,384,609	451,643
Excess of revenues over (under) expenditures	218,448	(201,552)	1,041,198	1,242,750
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
Transfers out	(935,000)	(935,000)	(890,000)	45,000
Total other financing sources (uses)	(930,000)	(930,000)	(885,000)	45,000
Net change in fund balance	<u>\$ (711,552)</u>	<u>\$ (1,131,552)</u>	156,198	<u>\$ 1,287,750</u>
Fund balance at beginning of year			3,402,317	
Fund balance at end of year			<u>\$ 3,558,515</u>	

City of Coopersville
Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
Local Streets Fund
For the year ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Property taxes	\$ 80,000	\$ 80,000	\$ 89,847	\$ 9,847
Intergovernmental revenues—State	171,000	171,000	183,215	12,215
Investment earnings	9,000	9,000	66,643	57,643
Other	-	-	158,989	158,989
Total revenues	260,000	260,000	498,694	238,694
EXPENDITURES				
Current				
Public works	1,384,619	417,953	216,177	201,776
Capital outlay	-	966,666	966,666	-
Total expenditures	1,384,619	1,384,619	1,182,843	201,776
Excess of revenues over (under) expenditures	(1,124,619)	(1,124,619)	(684,149)	440,470
OTHER FINANCING SOURCES				
Transfers in	920,000	920,000	920,000	-
Net change in fund balance	<u>\$ (204,619)</u>	<u>\$ (204,619)</u>	235,851	<u>\$ 440,470</u>
Fund balance at beginning of year			<u>630,104</u>	
Fund balance at end of year			<u>\$ 865,955</u>	

City of Coopersville
Required Supplementary Information
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years (Amounts were determined as of December 31 of each fiscal year)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY										
Service cost	\$ 110,157	\$ 114,749	\$ 90,810	\$ 80,076	\$ 86,477	\$ 85,556	\$ 75,474	\$ 71,004	\$ 71,295	\$ 56,681
Interest	295,260	280,943	270,232	254,718	242,479	223,313	222,286	224,668	207,335	198,485
Differences between expected and actual experience	79,530	43,835	50,027	(14,502)	125,770	156,122	(96,344)	(162,357)	41,146	-
Changes in assumptions	32,954	-	133,494	113,900	103,065	-	-	-	141,080	-
Benefit payments, including refunds of employee contributions	(240,523)	(238,968)	(235,314)	(235,548)	(232,507)	(219,221)	(168,045)	(162,601)	(168,427)	(141,960)
Net change in total pension liability	277,378	200,559	309,249	198,644	325,284	245,770	33,371	(29,286)	292,429	113,206
Total pension liability at beginning of year	4,137,738	3,937,179	3,627,930	3,429,286	3,104,002	2,858,232	2,824,861	2,854,147	2,561,718	2,448,512
Total pension liability at end of year (a)	\$4,415,116	\$4,137,738	\$3,937,179	\$3,627,930	\$3,429,286	\$3,104,002	\$2,858,232	\$2,824,861	\$2,854,147	\$2,561,718
PLAN FIDUCIARY NET POSITION										
Contributions-employer	\$ 261,876	\$ 188,527	\$ 142,655	\$ 110,725	\$ 108,120	\$ 104,317	\$ 94,442	\$ 72,676	\$ 62,693	\$ 50,374
Contributions-employee	43,252	39,980	37,508	34,734	35,842	33,927	30,812	29,542	47,338	104,149
Net investment income (loss)	297,108	(321,249)	352,612	329,173	294,904	(90,832)	281,571	223,864	(30,512)	125,745
Benefit payments, including refunds of employee contributions	(240,523)	(238,968)	(235,314)	(235,548)	(232,507)	(219,221)	(168,045)	(162,601)	(168,427)	(141,960)
Administrative expenses	(6,159)	(5,368)	(4,180)	(4,768)	(5,078)	(4,570)	(4,460)	(4,420)	(4,514)	(4,622)
Net change in plan fiduciary net position	355,554	(337,078)	293,281	234,316	201,281	(176,379)	234,320	159,061	(93,422)	133,686
Plan fiduciary net position at beginning of year	2,589,453	2,926,531	2,633,250	2,398,934	2,197,653	2,374,032	2,139,712	1,980,651	2,074,073	1,940,387
Plan fiduciary net position at end of year (b)	\$2,945,007	\$2,589,453	\$2,926,531	\$2,633,250	\$2,398,934	\$2,197,653	\$2,374,032	\$2,139,712	\$1,980,651	\$2,074,073
City's net pension liability at end of year (a)-(b)	\$1,470,109	\$1,548,285	\$1,010,648	\$ 994,680	\$1,030,352	\$ 906,349	\$ 484,200	\$ 685,149	\$ 873,496	\$ 487,645
Plan fiduciary net position as a percentage of the total pension liability	66.70%	62.58%	74.33%	72.58%	69.95%	70.80%	83.06%	75.75%	69.40%	80.96%
Covered employee payroll	\$ 992,404	\$1,030,986	\$ 892,043	\$ 821,295	\$ 897,069	\$ 872,134	\$ 773,299	\$ 735,794	\$ 755,242	\$ 600,446
City's net pension liability as a percentage of covered employee payroll	148.14%	150.18%	113.30%	121.11%	114.86%	103.92%	62.61%	93.12%	115.66%	81.21%

Notes to Schedule

The following were significant changes to actuarial assumptions:

2015 Valuation - The investment rate of return assumption was reduced from 8.25 percent to 8.0 percent, the wage inflation assumption was reduced from 4.5 percent to 3.75 percent, inflation rates changed from 3.0 - 4.0 percent to 2.5 percent.

2019 Valuation - The investment rate of return assumption was reduced from 8.0 percent to 7.6 percent, the wage inflation assumption was reduced from 3.75 percent to 3.0 percent.

2020 Valuation - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions.

2021 Valuation - The investment rate of return assumption was reduced from 7.6 percent to 7.25 percent.

City of Coopersville
Required Supplementary Information
PENSION SYSTEM SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 180,041	\$ 185,951	\$ 127,155	\$ 95,225	\$ 90,316	\$ 87,086	\$ 85,781	\$ 79,128	\$ 65,723	\$ 54,278
Contributions in relation to the actuarially determined contribution	255,041	210,951	142,655	110,725	108,120	104,317	101,281	79,128	65,723	54,278
Contribution deficiency (excess)	\$ (75,000)	\$ (25,000)	\$ (15,500)	\$ (15,500)	\$ (17,804)	\$ (17,231)	\$ (15,500)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 1,058,920	\$ 1,058,917	\$ 943,728	\$ 911,693	\$ 884,705	\$ 861,787	\$ 828,239	\$ 776,526	\$ 697,696	\$ 619,612
Contributions as percentage of covered employee payroll	24.1%	19.9%	15.1%	12.1%	12.2%	12.1%	12.2%	10.2%	9.4%	8.8%

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increases	3.0 percent in the long-term
Investment rate of return	7.00 percent, net of investment and administrative expenses
Retirement age	50-60 years of age depending on years of service
Mortality	Based on a version of Pub-2010 and fully generational MP-2019

OTHER SUPPLEMENTARY INFORMATION

City of Coopersville
COMBINING BALANCE SHEET
 Other Governmental Funds
 June 30, 2024

	Total Other Governmental Funds	Special Revenue Funds			Debt Service Fund
		Major Streets	Coopersville- Polkton Cemetery Authority	Community That Cares	Capital Improvements Fund
ASSETS					
Cash and investments	\$ 744,854	\$ 669,875	\$ 66,888	\$ -	\$ 8,091
Special assessments receivable	2,568	-	-	-	2,568
Accounts receivable	600	-	600	-	-
Due from other governmental units	74,960	74,960	-	-	-
Total assets	\$ 822,982	\$ 744,835	\$ 67,488	\$ -	\$ 10,659
LIABILITIES					
Accounts payable	\$ 3,826	\$ 2,710	\$ 1,116	\$ -	\$ -
Accrued liabilities	3,426	3,426	-	-	-
Due to other governmental units	3,355	3,355	-	-	-
Total liabilities	10,607	9,491	1,116	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues—special assessments	2,568	-	-	-	2,568
FUND BALANCES					
Restricted					
Cemetery operations	66,372	-	66,372	-	-
Streets and highways	735,344	735,344	-	-	-
Assigned					
Debt service	8,091	-	-	-	8,091
Total fund balances	809,807	735,344	66,372	-	8,091
Total liabilities, deferred inflows of resources, and fund balances	\$ 822,982	\$ 744,835	\$ 67,488	\$ -	\$ 10,659

City of Coopersville
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Other Governmental Funds
For the year ended June 30, 2024

	Total Other Governmental Funds	Special Revenue Funds			Debt Service Fund
		Major Streets	Coopersville- Polkton Cemetery Authority	Community That Cares	2006 Capital Improvement Bonds
REVENUES					
Intergovernmental revenues					
State	\$ 475,501	\$ 475,501	\$ -	\$ -	\$ -
Local	24,000	-	24,000	-	-
Charges for services	27,543	-	27,543	-	-
Interest	38,228	32,595	3,525	1,489	619
Other	9,908	3,985	2,202	3,111	610
Total revenues	575,180	512,081	57,270	4,600	1,229
EXPENDITURES					
Current					
General government	46,367	-	46,367	-	-
Public safety	79,964	-	-	79,964	-
Public works	412,499	412,499	-	-	-
Capital outlay	28,557	28,557	-	-	-
Total expenditures	567,387	441,056	46,367	79,964	-
Excess of revenues over (under) expenditures	7,793	71,025	10,903	(75,364)	1,229
OTHER FINANCING SOURCES (USES)					
Transfers out	(35,000)	(30,000)	-	-	(5,000)
Net change in fund balances	(27,207)	41,025	10,903	(75,364)	(3,771)
Fund balances at beginning of year	837,014	694,319	55,469	75,364	11,862
Fund balances at end of year	\$ 809,807	\$ 735,344	\$ 66,372	\$ -	\$ 8,091