

In the opinion of Thrun Law Firm, P.C., Bond Counsel, under existing law, (i) the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof, (ii) interest on the Bonds is excluded from gross income for federal income tax purposes to the extent and subject to the conditions described herein, and (iii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax to the extent and subject to the conditions described herein. See “TAX MATTERS” herein.

\$19,715,000
COOPERSVILLE AREA PUBLIC SCHOOLS
COUNTIES OF OTTAWA AND MUSKEGON, STATE OF MICHIGAN
2024 SCHOOL BUILDING AND SITE BONDS, SERIES II
(GENERAL OBLIGATION - UNLIMITED TAX)

Dated: September 10, 2024

Due: May 1, as shown below

On May 3, 2022, the qualified electors of the Coopersville Area Public Schools, Counties of Ottawa and Muskegon, State of Michigan (the “School District”) approved the issuance of bonds in the amount not to exceed \$42,900,000 to be issued in one or more series of bonds. Proceeds of the 2024 School Building and Site Bonds, Series II (General Obligation – Unlimited Tax) (the “Bonds”), in the principal amount of \$19,715,000, representing the second series of bonds issued under the 2022 authorization, will be used for school building and site purposes. The Bonds were authorized by the Board of Education of the School District by resolutions adopted on June 17, 2024 and expected to be adopted on August 19, 2024 (together, the “Resolutions”). The Bonds will pledge the full faith and credit of the School District for payment of the principal and interest thereon and will be payable from ad valorem taxes, which may be levied on all taxable property in the School District without limitation as to rate or amount.

The Bonds are expected to be fully qualified as of the date of delivery for participation in the Michigan School Bond Qualification and Loan Program pursuant to Act 92, Public Acts of Michigan, 2005, as amended, enacted pursuant to Article IX, Section 16 of the Michigan Constitution of 1963. Under the terms of said constitutional and statutory provisions, if for any reason the School District will be or is unable to pay the principal of and interest on the Bonds when due, the School District shall borrow and the State of Michigan shall lend to it an amount sufficient to enable the School District to make the payment. See “QUALIFICATION BY THE STATE OF MICHIGAN” and APPENDIX A, “State Qualification,” herein.

The Bonds are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Bonds (the “Beneficial Owners”) will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See “THE BONDS—Book-Entry-Only System” herein.

Principal of and interest on the Bonds will be paid by the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan (the “Paying Agent”). So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to such Bondholder. Disbursement of such payments to DTC’s Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC’s Direct Participants and Indirect Participants, as more fully described herein. Interest will be payable semiannually on May 1 and November 1, commencing May 1, 2025, to the Bondholders of record as of the applicable record dates as stated in the Bonds.

(Base CUSIP\$: 216876)

Maturity	Amount	Interest		CUSIP\$	Maturity	Amount	Interest		CUSIP\$
		Rate	Yield				Rate	Yield	
2026	\$105,000	6.000%	2.970%	MR0	2037	\$570,000	5.000%	3.480%**	MX7
2027	130,000	6.000	2.980	MS8	2038	595,000	5.000	3.530%**	MY5
2028	135,000	6.000	3.020	MT6	2039	620,000	5.000	3.590%**	MZ2
2034	640,000	6.000	3.240	MU3	2040	640,000	5.000	3.650%**	NA6
2035	535,000	5.000	3.360%**	MV1	2041	670,000	5.000	3.760%**	NB4
2036	550,000	5.000	3.410%**	MW9	2042	695,000	5.000	3.840%**	NC2

Interest		Maturity	Yield	CUSIP\$
Amount	Rate			
\$1,445,000	4.000%	Term Bond Due May 1, 2044	4.150%	ND0
2,355,000	4.250	Term Bond Due May 1, 2047	4.250	NE8
2,615,000	4.125	Term Bond Due May 1, 2050	4.380	NF5
7,415,000	4.125	Term Bond Due May 1, 2054	4.400	NG3

The Bonds maturing on May 1, 2044, May 1, 2047, May 1, 2050 and May 1, 2054 (the “Term Bonds”) are subject to mandatory redemption on the redemption dates and in the principal amounts set forth herein at a redemption price equal to the principal amount thereof without premium. See “THE BONDS – Mandatory Redemption of Term Bonds” herein.

THE BONDS OR PORTIONS OF THE BONDS MATURING ON OR AFTER MAY 1, 2035 ARE SUBJECT TO OPTIONAL REDEMPTION BEGINNING MAY 1, 2034, IN THE MANNER AND AT THE TIMES DESCRIBED HEREIN. See “THE BONDS — Optional Redemption” herein.

The Bonds will be offered when, as and if issued by the School District and accepted by the Underwriter subject to the approving legal opinion of Thrun Law Firm, P.C., East Lansing, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan. It is expected that the Bonds will be available for delivery through DTC on or about September 10, 2024.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

STIFEL

The date of this Official Statement is August 16, 2024.

† For an explanation of the ratings, see “RATINGS” herein.

* As of date of delivery.

** Yield to the first call date, May 1, 2034.

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No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement in connection with the offer made hereby and, if given or made, such other information or representation must not be relied upon as having been authorized by the School District or the Underwriter. This Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy these securities be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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

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

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE INFORMATION PRESENTED IN THIS OFFICIAL STATEMENT CONCERNING THE SCHOOL DISTRICT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT
relating to

\$19,715,000
COOPERSVILLE AREA PUBLIC SCHOOLS
COUNTIES OF OTTAWA AND MUSKEGON, STATE OF MICHIGAN
2024 SCHOOL BUILDING AND SITE BONDS, SERIES II
(GENERAL OBLIGATION – UNLIMITED TAX)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices, is to furnish information in connection with the issuance and sale by the Coopersville Area Public Schools, Counties of Ottawa and Muskegon, State of Michigan (the "School District") of its 2024 School Building and Site Bonds, Series II (General Obligation - Unlimited Tax) (the "Bonds") in the principal amount of \$19,715,000.

PURPOSE AND SECURITY

On May 3, 2022, the qualified electors of the School District approved a proposal authorizing the issuance of bonds in an amount of not to exceed \$42,900,000. The Bonds in the principal amount of \$19,715,000, representing the second series of bonds issued pursuant to the 2022 authorization, are being issued for the purpose of erecting, furnishing, and equipping additions to West Elementary School and Coopersville High School; remodeling, furnishing and refurnishing, and equipping and re-equipping school facilities; acquiring and installing instructional technology and instructional technology equipment for school facilities; erecting a storage building; purchasing school buses; and remodeling, preparing, developing, improving, and equipping athletic facilities, athletic fields, playgrounds and sites (the "Project"); and paying the cost of issuing the Bonds.

The Bonds, as authorized for issuance by the resolutions of the Board of Education of the School District adopted on June 17, 2024 and expected to be adopted on August 19, 2024 (together, the "Resolutions"), are a full faith and credit unlimited tax general obligation of the School District. The principal of and interest on the Bonds are payable from the proceeds of ad valorem taxes levied on all taxable property in the School District which may be levied without limitation as to rate or amount. As of the date of delivery, the Bonds are expected to be fully qualified for participation in the State of Michigan School Bond Qualification and Loan Program. See "QUALIFICATION BY THE STATE OF MICHIGAN" and APPENDIX A, "State Qualification," in this Official Statement.

QUALIFICATION BY THE STATE OF MICHIGAN

An application will be submitted to the Michigan Department of Treasury to obtain, and it is the School District's expectation that the Bonds will receive, final qualification as of the date of delivery to participate in the Michigan School Bond Qualification and Loan Program pursuant to Act 92 of the Public Acts of Michigan, 2005, as amended ("Act 92"), enacted pursuant to Article IX, Section 16, of the Michigan Constitution of 1963. Under the terms of said constitutional and statutory provisions, if for any reason the School District will be or is unable to pay the principal and interest on the Bonds when due, the School District shall borrow and the State of Michigan (the "State") shall lend to it from the School Loan Revolving Fund (the "School Loan Revolving Fund") established by the State, an amount sufficient to enable the School District to make the payment. Article IX, Section 16 of the State Constitution as implemented by Act 112 of the Public Acts of Michigan, 1961, as amended, authorizes the State, without approval of its electors, to borrow from time to time such amounts as shall be required, pledge the State's full faith and credit and issue its notes or bonds therefor, for the purpose of making loans to school districts as provided under such section. Loans to school districts for such purposes are made from the proceeds of such State borrowing. See APPENDIX A, "State Qualification," in this Official Statement.

Complete financial statements of all of the State's funds as included in the State's Annual Comprehensive Financial Report ("ACFR") prepared by the State's Office of the State Budget are available

from the Budget website: www.michigan.gov/budget. The State has agreed to file its ACFR with the Municipal Securities Rulemaking Board (as described in Rule 15c2-12(b)(5) of the Securities and Exchange Commission) annually, so long as any bonds qualified for participation in the Michigan School Bond Qualification and Loan Program remain outstanding.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES

Par Amount of the Bonds	\$19,715,000.00
Original Issue Premium	729,763.00
Original Issue Discount	<u>(467,503.45)</u>
Total Sources	<u>\$19,977,259.55</u>

USES

Capital Projects Fund	\$19,780,172.29
Underwriter's Discount	78,860.00
Costs of Issuance for the Bonds	<u>118,227.26</u>
Total Uses	<u>\$19,977,259.55</u>

THE BONDS

Description and Form of the Bonds

The Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated as of, and bear interest from, the date of issuance. Interest on the Bonds shall be payable semiannually each May 1 and November 1 to maturity or early redemption, commencing May 1, 2025. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months, and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the cover of this Official Statement.

The corporate trust office of The Huntington National Bank, Grand Rapids, Michigan, will serve as the paying agent (the "Paying Agent") and also as bond registrar and transfer agent if the Bonds cease to be held in book-entry-only form. Interest on the Bonds shall be payable when due by check or draft to the person or entity who or which is, as of the fifteenth (15th) day of the month preceding each interest payment date, the registered owner of record, at the owner's registered address. For a description of payment of principal and interest, transfers, exchanges on the Bonds, which are held in the book-entry-only system, see "Book-Entry-Only System" below. For a description of transfers and exchanges on the Bonds if the Bonds cease to be held in book-entry-only form, see "Transfer Outside Book-Entry-Only System" below.

Book-Entry-Only System

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

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

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

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

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

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

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

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

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

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the School District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

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

Transfer Outside Book-Entry-Only System

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

Optional Redemption

The Bonds or portions of the Bonds in multiples of \$5,000 maturing on or after May 1, 2035, are subject to redemption at the option of the School District in such order as the School District may determine and by lot within any maturity, on any date occurring on or after May 1, 2034, at par plus accrued interest to the date fixed for redemption.

Mandatory Redemption of Term Bonds

The Bonds maturing on May 1, 2044, May 1, 2047, May 1, 2050 and May 1, 2054 (the "Term Bonds"), are subject to mandatory redemption, in part, by lot, on the redemption dates and in the principal amounts set forth below and at redemption prices equal to the principal amounts thereof, without premium,

together with interest thereon to the redemption dates. When Term Bonds are purchased by the School District and delivered to the Paying Agent for cancellation or are redeemed in a manner other than by mandatory redemption, the principal amount of the Term Bonds affected shall be reduced by the principal amount of the Bonds so redeemed or purchased in the order determined by the School District.

Bonds Maturing May 1, 2044

<u>Redemption Dates</u>	<u>Principal Amounts</u>
May 1, 2043	\$710,000
May 1, 2044 (maturity)	735,000

Bonds Maturing May 1, 2047

<u>Redemption Dates</u>	<u>Principal Amounts</u>
May 1, 2045	\$760,000
May 1, 2046	785,000
May 1, 2047 (maturity)	810,000

Bonds Maturing May 1, 2050

<u>Redemption Dates</u>	<u>Principal Amounts</u>
May 1, 2048	\$840,000
May 1, 2049	870,000
May 1, 2050 (maturity)	905,000

Bonds Maturing May 1, 2054

<u>Redemption Dates</u>	<u>Principal Amounts</u>
May 1, 2051	\$ 940,000
May 1, 2052	975,000
May 1, 2053	2,765,000
May 1, 2054 (maturity)	2,735,000

Notice of Redemption and Manner of Selection

Notice of redemption of any Bond shall be given not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the Paying Agent. The Bonds shall be called for redemption in multiples of \$5,000 and Bonds of denominations of more than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the face amount of the Bond by \$5,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds in an aggregate face amount equal to the unredeemed portion of the Bond surrendered shall be issued to the registered owner thereof.

If less than all of the Bonds of any maturity shall be called for redemption prior to maturity, unless otherwise provided, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Paying Agent, in the principal amounts designated by the School District. Any Bonds selected for redemption will cease to bear interest on the date fixed for redemption, whether presented for redemption, provided funds are on hand with the Paying Agent to redeem said Bonds. Upon presentation and surrender of such Bonds at the corporate trust office of the Paying Agent, such Bonds shall be paid and redeemed.

So long as the book-entry-only system remains in effect, in the event of a partial redemption the Paying Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by such partial redemption, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

TAX PROCEDURES

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

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Beginning in 1995, taxable property has two valuations -- State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year, adjusted for losses, and increased or reduced by the lesser of the inflation rate or 5%, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV.

When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

Responsibility for assessing taxable property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local board of review, the Michigan Tax Tribunal, and ultimately to the Michigan appellate courts.

The Michigan Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the county's department of equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in the Official Statement. Property granted tax abatements under Act 198, Public Acts of Michigan, 1974, amended, is recorded on a separate tax roll while subject to tax abatement. The valuation of tax-abated property is based upon SEV but is not included in either the SEV or Taxable Value data in the Official Statement except as noted. Under limited circumstances, other State laws permit the partial abatement of certain taxes for other types of property for periods of up to 12 years.

LEVY AND COLLECTION OF TAXES FOR PAYMENT OF THE BONDS AND BONDHOLDERS' REMEDIES

The Resolutions authorizing the issuance of the Bonds and State law obligate the School District to levy a tax annually in an amount sufficient so that the estimated collections therefrom, together with other amounts, if any, to be borrowed from the School Loan Revolving Fund for the Bonds, will be sufficient to pay promptly when due the principal of and interest on the Bonds becoming due prior to the time of the next tax levy. The tax levy shall not be subject to limitation as to rate or amount. Taxes for the payment of the principal of or interest on the Bonds are certified for collection each year with the school tax levies. In the event of the failure of the proper officials to certify taxes for the payment of the principal and interest requirements, a timely action in the nature of mandamus could compel certification and collection of adequate taxes or could compel the School District to make application to borrow the necessary funds from the School Loan Revolving Fund and thus prevent a default. However, if a paying agent for any bonds of the School District qualified for State loans as provided in Article IX, Section 16, of the State Constitution notifies the

State Treasurer that the School District has failed to deposit sufficient funds to pay principal and interest on the qualified bonds when due or if a bondholder notifies the State Treasurer that the School District has failed to pay principal or interest on such qualified bonds when due, whether or not the School District has filed a draw request with the State Treasurer, the State Treasurer shall promptly pay the principal or interest on the qualified bonds when due.

If sufficient funds for full payment of debt service on the Bonds do not reach the Paying Agent five business days prior to the debt service payment due date, the Paying Agent will notify the School District of the amount of insufficient funds four business days prior to the due date. In the event that the School District does not immediately resolve the insufficient funds situation, the Paying Agent will notify the Michigan Department of Treasury of the deficiency three business days before the payment due date and the State Treasurer shall make the payment.

Any amount paid by the State Treasurer as described in the preceding paragraphs shall be deemed a loan made to the School District pursuant to the requirements of said Article IX, Section 16, of the State Constitution. Registered owners of the Bonds may attempt to obtain a money judgment against the School District for the principal amount of the Bonds or interest not paid when due and may periodically attempt to enforce the collection of the money judgment by requiring the tax assessing officers for the School District to place the amount of such judgment on the next tax rolls of the School District. The rights of the holders of the Bonds and the enforceability thereof are subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement also may be subject to the exercise of judicial discretion in appropriate cases. See APPENDIX A, "State Qualification," in this Official Statement.

SOURCES OF SCHOOL OPERATING REVENUE

On March 15, 1994, the electors of the State of Michigan approved a ballot proposition to amend the State Constitution of 1963, in part, to increase the State sales tax from 4% to 6% as part of a complex plan to restructure the source of funding of public education (K-12) in order to reduce reliance on local property taxes for school operating purposes and to reduce the per pupil finance resource disparities among school districts.

The State school aid package passed by the Legislature as part of the school finance reform legislation instituted a per pupil foundation allowance beginning in fiscal year 1994/95. With the passage of Public Act 48 of 2021, the Legislature eliminated the foundation allowance range in 2021/22 that had been in place since the passage of the school finance reform legislation in 1994. In Public Act 120 of 2024 ("PA 120"), the Legislature established a 2024/25 target foundation allowance of \$9,608 per pupil. In the future, the foundation allowance may be adjusted annually by an index based upon the change in revenues to the State school aid fund and change in the total number of pupils statewide. The foundation allowance is funded by locally raised property taxes plus State school aid. The revenues for the State's contribution to the foundation allowance are derived from a mix of taxing sources, including, but not limited to, a statewide property tax of 6 mills on all taxable property¹, a State sales and use tax, a real estate transfer tax and a cigarette tax.

Generally, school districts are required to levy a local property tax of not more than 18 mills or the number of mills levied in 1993 for school operating purposes, whichever is less, on non-homestead properties² in order for the school district to receive its per pupil foundation allowance. An intermediate school district may seek voter approval for up to three enhancement mills for distribution to local constituent school districts on a per pupil basis. Proceeds of the enhancement mills are not counted toward the foundation allowance. The Ottawa Area Intermediate School District levies a 0.8616 mill regional enhancement millage which is distributed to all qualified schools within its boundaries, including the School District, on a per pupil basis. The School District expects to receive approximately \$333 per pupil from that millage in 2024/25. Furthermore, school districts whose per pupil foundation allowance in 2024/25 calculates to an amount in

¹ "Taxable property" in this context does not include industrial personal property.

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

excess of \$9,608 are authorized to levy additional millage to obtain the foundation allowance, first by levying such amount of the 18 mills against homestead property¹ as is necessary to hold themselves harmless and, if the 18 mills is insufficient, to then levy such additional mills against all property uniformly as is necessary to obtain the foundation allowance. The School District's 2024/25 per pupil foundation allowance does not exceed \$9,608, and the School District does not levy such additional millage.

State aid appropriations and the payment schedule for State school aid may be changed by the Legislature at any time. If the amount appropriated from the State school aid fund exceeds the amount available for expenditure for a fiscal year, in the absence of overriding legislative action by the Legislature, the School Aid Act subjects most state aid payable to school districts for that fiscal year to an automatic proration on a per pupil basis in an amount necessary to eliminate the portion of the overage attributable to the appropriation to all school districts. See "State Aid Payments" in APPENDIX B.

Public Act 103 of 2023 amended the State School Aid Act for the 2023/24 fiscal year increasing the School District's foundation allowance to \$9,608 per pupil.

PA 120 amended the State School Aid Act for the 2024/25 fiscal year maintaining the School District's foundation allowance at \$9,608 per pupil.

Pursuant to PA 120, the School District may be eligible to receive various categorical grants for specific purposes, such as special education, "at-risk" students, meal programs, early education, career and technical education programs, and other instructional and non-instructional programs. The annual amendments to the State School Aid Act determine the type and amount of those categorical funds. For further information regarding the School District's receipt of categorical funds for the 2022/23 fiscal year, see the School District's audited financial statements in APPENDIX D.

In 2020 and 2021, the U.S. Congress passed three stimulus bills providing financial support to public schools through the Elementary and Secondary School Emergency Relief Fund ("ESSER Funds"). Based on the three separate federal stimulus bills the ESSER funding is generally referred to as "ESSER I Funds," "ESSER II Funds," and "ESSER III Funds," respectively.

As required under Michigan law, available ESSER Funds have been appropriated and allocated to qualifying school districts. The School District has been awarded \$161,679 of the ESSER I Funds; \$706,498 of the ESSER II Funds; and \$2,891,433 of the ESSER III Funds. ESSER Funds already received by the School District are incorporated into the information in APPENDIX C and APPENDIX D. The School District may have received additional payments related to the ESSER Funds.

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

MICHIGAN PROPERTY TAX REFORM

On November 5, 2013, March 28, 2014, and April 1, 2014, a package of bills amended and replaced legislation enacted in 2012 to phase-out most personal property taxation in Michigan. The bills were contingent on Michigan voters approving a ballot question authorizing a new municipal entity, the Local Community Stabilization Authority ("LCSA"), to levy a local component of the statewide use tax and distribute that revenue to local units of government to offset their revenue losses resulting from the personal property tax reform. On August 5, 2014, voters approved that ballot question.

The bill package, together with the original 2012 legislation, created two new exemptions from the personal property tax. Under the "small taxpayer exemption," the commercial and industrial personal

¹ "Homestead property", in this context, means principal residence, qualified agricultural property, qualified forestry property, supportive housing property, property occupied by a public school academy, certain industrial personal property and certain commercial personal property, to the extent not otherwise exempt.

property of each owner with a combined true cash value in a local tax collecting unit of less than \$80,000 became exempt from ad valorem taxes in that collecting unit beginning in 2014, with such threshold being increased by the legislature to a combined true cash value in a local tax collecting unit of less than \$180,000 beginning in 2023. For businesses that do not qualify for the "small taxpayer exemption," all "eligible manufacturing personal property" (personal property used more than 50% of the time in industrial processing or direct integrated support) purchased and placed into service before 2006 or during or after 2013 became exempt beginning in 2016. Taxation on "eligible manufacturing personal property" placed into service after 2006 but before 2013 will be phased-out over time; with the exemption taking effect after the property has been in service for the immediately preceding 10 years. The legislation extends certain personal property tax exemptions and tax abatements for technology parks, industrial facilities and enterprise zones that were to expire after 2012, until the voter approved personal property tax exemptions take effect.

Pursuant to voter approval in August 2014, the legislation also includes a formula to reimburse school districts for 100% of their lost operating millage revenue and lost sinking fund millage revenue. To provide the reimbursement, the legislation reduces the state share of the use tax and authorizes the LCSEA to levy a local component of the use tax and distribute that revenue to qualifying local units. However, the reimbursement for the school district's operating millage will come from the State use tax component, which is deposited into the State school aid fund.¹ While the legislation provides reimbursement for prospective school operating losses, pursuant to legislative changes made in 2020, the School District will be reimbursed for debt millage calculated pursuant to a statutory formula.

LITIGATION

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

TAX MATTERS

State

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

Federal

In the opinion of Bond Counsel, based upon its examination of the documents described in its opinion, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds held by an "applicable corporation" as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code") is included in annual "adjusted financial statement income" for purposes of calculating the alternative minimum tax imposed on an applicable corporation. The opinions set forth in the preceding sentence are subject to the condition that the School District comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The School District has covenanted to comply with such requirements.

¹ A school district that increases its millage rate, without voter approval, to replace debt millage revenue loss would not be eligible to receive reimbursement distributions. Because much of the reimbursement funds are deposited into the State school aid fund, the legislature may, in the future, change the funding formulas in the State School Aid Act of 1979 or appropriate funds therein for other purposes.

Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Bond Counsel will express no opinion regarding other federal tax consequences with respect to the Bonds.

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

Original Issue Premium

For federal income tax purposes, the initial offering prices to the public (excluding bond houses and brokers) of certain Bonds, as set forth on the cover of this Official Statement, may be greater than the stated redemption prices at maturity (the "Premium Bonds"), and constitutes for the original purchasers of the Premium Bonds an amortizable bond premium. Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of a taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such Premium Bonds.

Original Issue Discount

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

Future Developments

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

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

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

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

APPROVAL OF LEGAL PROCEEDINGS

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

Certain legal matters will be passed upon for the Underwriter by its counsel, Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan.

APPROVAL BY MICHIGAN DEPARTMENT OF TREASURY

The School District has received a letter from the Department of Treasury of the State of Michigan stating that the School District is in material compliance with the criteria of the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended, for a municipality to be granted qualified status. The School District may therefore issue the Bonds without further approval from the Department of Treasury of the State of Michigan.

RATINGS

S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLC ("S&P"), will assign, as of the date of delivery of the Bonds, its municipal bond rating of "AA" to the Bonds based upon the fact that each Bond will be fully qualified for participation in the Michigan School Bond Qualification and Loan Program as of its date of delivery. See "QUALIFICATION BY THE STATE OF MICHIGAN," "LEVY AND COLLECTION OF TAXES FOR PAYMENT OF THE BONDS AND BONDHOLDERS' REMEDIES" and APPENDIX A, "State Qualification," herein.

S&P will also assign, as of the date of delivery of the Bonds, its underlying municipal bond rating of "A+" to the Bonds without regard to qualification of the Bonds for participation in the Michigan School Bond Qualification and Loan Program.

No application has been made to any other ratings service for a rating on the Bonds. The School District furnished to S&P certain materials and information in addition to that provided herein. Generally, rating agencies base their ratings on such information and materials, and on investigations, studies and

assumptions. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Any ratings assigned represent only the views of S&P. Further information is available upon request from S&P Global Ratings, 55 Water Street, New York, New York 10041, telephone: (212) 438-1000.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed, subject to the terms of the Bond Purchase Agreement, to purchase the Bonds from the School District. The Bond Purchase Agreement provides, in part, that the Underwriter, subject to certain conditions, will purchase from the School District the aggregate principal amount of Bonds for a purchase price as set forth therein. The Underwriter has further agreed to offer the Bonds to the public at the approximate initial offering prices corresponding to the yields as set forth on the cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices corresponding to the yields stated on the cover hereto. The offering prices may be changed from time to time by the Underwriter. The aggregate underwriting fee for the Bonds equals 0.400 percent of the aggregate principal amount of the Bonds.

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

MUNICIPAL ADVISOR'S OBLIGATION

Baker Tilly Municipal Advisors, LLC (successor to H.J. Umbaugh & Associates, Certified Public Accountants, LLP) (the "Municipal Advisor" or "Baker Tilly") has been retained by the School District to provide certain financial advisory services including, among other things, preparation of the deemed "nearly final" Preliminary Official Statement and the Final Official Statement (the "Official Statements"). The information contained in the Official Statements has been compiled from records and other materials provided by the School District officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

The Municipal Advisor's duties, responsibilities and fees arise solely as municipal advisor to the School District and they have no secondary obligations or other responsibility. The Municipal Advisor's fees are expected to be paid from proceeds of the Bonds.

Municipal Advisor Registration

Baker Tilly is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, Baker Tilly is providing certain specific municipal advisory services to the School District but is neither a placement agent to the School District nor a broker/dealer and cannot participate in the underwriting of the Bonds.

The offer and sale of the Bonds shall be made by the School District, in the sole discretion of the School District, and under its control and supervision. The School District has agreed that Baker Tilly does not undertake to sell or attempt to sell the Bonds and will take no part in the sale thereof.

Other Financial Industry Activities and Affiliations

Baker Tilly Investment Services, LLC ("BTIS") is registered as an investment adviser with the Securities and Exchange Commission ("SEC") under the Federal Investment Advisers Act of 1940. BTIS

provides discretionary and non-discretionary investment management services to government and municipal entities. BTIS may provide advisory services to the clients of Baker Tilly.

Baker Tilly Virchow Krause, LLP ("BTVK") is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTVK and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTVK is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 47 territories, with 33,600 professionals.

Baker Tilly Capital, LLC ("BTC"), a wholly owned subsidiary of BTVK, is a limited purpose broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"). BTC provides merger & acquisition, capital sourcing and corporate finance advisory services. BTC may provide transaction advisory services to clients of Baker Tilly.

Baker Tilly Financial, LLC ("BTF"), a wholly owned subsidiary of BTVK, is a state-registered investment adviser that provides both discretionary and non-discretionary investment advice, investment and pension consulting and portfolio management services to individual and institutional clients. BTF may provide advisory services to the clients of Baker Tilly.

Baker Tilly has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

CONTINUING DISCLOSURE

Prior to delivery of the Bonds, the School District will execute a Continuing Disclosure Agreement (the "Agreement") for the benefit of the holders of the Bonds and the Beneficial Owners (as hereinafter defined under this caption only) to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. "Beneficial Owner" means, under this caption only, any person, which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or any other intermediaries). The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Agreement, are set forth in "APPENDIX F: Form of Continuing Disclosure Agreement." Additionally, the School District shall provide certain annual financial information and operating data generally consistent with the information contained within the tables under the headings "Enrollments – Enrollment History," "Labor Relations," "Retirement Plan - Contribution to MPERS," "History of Valuations – State Equalized Valuation and Taxable Valuation," "Tax Levies and Collections," "State Aid Payments," "School District Tax Rates (Per \$1,000 of Valuation)," "Largest Taxpayers," "School Bond Qualification and Loan Program," as it relates to the School District's School Loan Revolving Fund balance, if any, and "Direct Debt," in APPENDIX B and General Fund Budget Summaries in APPENDIX C.

A failure by the School District to comply with the Agreement will not constitute an event of default under the Resolutions and Beneficial Owners of the Bonds are limited to the remedies described in the Agreement. A failure by the School District to comply with the Agreement must be reported by the School District in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The School District has not, in the previous five years, failed to comply in any material respect with any previous continuing disclosure agreements or undertaking executed by the School District pursuant to the Rule.

OTHER MATTERS

All information contained in this Official Statement, in all respects, is subject to the complete body of information contained in the original sources thereof. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

The School District certifies that to its best knowledge and belief, this Official Statement, insofar as it pertains to the School District and its economic and financial condition, is true and correct as of the date of this Official Statement, and does not contain, nor omit, any material facts or information which would make the statements contained herein misleading.

COOPERSVILLE AREA PUBLIC SCHOOLS
COUNTIES OF OTTAWA AND MUSKEGON
STATE OF MICHIGAN

By: /s/ Matthew P. Spencer
Its: Superintendent of Schools

**APPENDIX A
STATE QUALIFICATION**

**ARTICLE IX, SECTION 16 OF THE
1963 STATE OF MICHIGAN CONSTITUTION**

State loans to school districts.

Sec. 16. The state, in addition to any other borrowing power, may borrow from time to time such amounts as shall be required, pledge its faith and credit and issue its notes or bonds therefor, for the purpose of making loans to school districts as provided in this section.

Amount of loans.

If the minimum amount which would otherwise be necessary for a school district to levy in any year to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies, exceeds 13 mills on each dollar of its assessed valuation as finally equalized, or such lower millage as the legislature may prescribe, then the school district may elect to borrow all or any part of the excess from the state. In that event the state shall lend the excess amount to the school district for the payment of principal and interest. If for any reason any school district will be or is unable to pay the principal and interest on its qualified bonds when due, then the school district shall borrow and the state shall lend to it an amount sufficient to enable the school district to make the payment.

Qualified bonds.

The term "qualified bonds" means general obligation bonds of school districts issued for capital expenditures, including refunding bonds, issued prior to May 4, 1955, or issued thereafter and qualified as provided by law pursuant to Section 27 or Section 28 of Article X of the Constitution of 1908 or pursuant to this section.

Repayment of loans, tax levy by school district.

After a school district has received loans from the state, each year thereafter it shall levy for debt service, exclusive of levies for nonqualified bonds, not less than 13 mill or such lower millage as the legislature may prescribe, until the amount loaned has been repaid, and any tax collections therefrom in any year over and above the minimum requirements for principal and interest on qualified bonds shall be used toward the repayment of state loans. In any year when such levy would produce an amount in excess of the requirements and the amount due to the state, the levy may be reduced by the amount of the excess.

Bonds, state loans, repayment.

Subject to the foregoing provisions, the legislature shall have the power to prescribe and to limit the procedure, terms and conditions for the qualification of bonds, for obtaining and making state loans, and for the repayment of loans.

Power to tax unlimited.

The power to tax for the payment of principal and interest on bonds hereafter issued which are the general obligations of any school district, including refunding bonds, and for repayment of any state loans made to school districts, shall be without limitations as to rate or amount.

Rights and obligations to remain unimpaired.

All rights acquired under Sections 27 and 28 of Article X of the Constitution of 1908, by holders of bonds heretofore issued, and all obligations assumed by the state or any school district under these sections, shall remain unimpaired.

SCHOOL BOND QUALIFICATION, APPROVAL, AND LOAN ACT
Act 92 of 2005

AN ACT to prescribe the procedures, terms, and conditions for the qualification or approval of school bonds and other bonds; to authorize this state to make loans to certain school districts for the payment of certain bonds and to authorize schools to borrow from this state for that purpose; to prescribe the terms and conditions of certain loans to school districts; to prescribe the powers and duties of certain state agencies and certain state and local officials; to provide for certain fees; to prescribe certain penalties; and to repeal acts and parts of acts.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

The People of the State of Michigan enact:

388.1921 Short title.

Sec. 1. This act shall be known and may be cited as the "school bond qualification, approval, and loan act".

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1922 Purpose of act.

Sec. 2. The purpose of this act is to implement section 16 of article IX of the state constitution of 1963 and to provide for loans to school districts.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1923 Definitions.

Sec. 3. As used in this act:

(a) "Computed millage" means the number of mills in any year, not less than 7 mills and not more than 13 mills, determined on the date of issuance of the order qualifying the bonds or on a later date if requested by the school district and approved by the state treasurer, that, if levied by the school district, will generate sufficient annual proceeds to pay principal and interest on all the school district's qualified bonds plus principal and interest on all qualified loans related to those qualified bonds no later than the final mandatory repayment date. Based on changes of circumstances, including, but not limited to, additional bond qualification, refundings, changes in qualified loan interest rates, changes in taxable values, and assumptions contained in any then currently effective guidelines issued by the state treasurer pursuant to section 5(2)(c), the school district shall not less than annually, beginning on October 1, 2013, using methods prescribed in this act, recalculate the computed millage necessary to generate sufficient annual levy proceeds to pay principal and interest on all of the school district's qualified bonds and principal and interest on all qualified loans related to those qualified bonds not later than the final mandatory repayment date. If the school district determines that the recalculated computed millage is lower than its current millage levy rate, the school district shall promptly notify the state treasurer in writing of the recalculated computed millage. Immediately thereafter, the school district shall decrease its millage levy rate to the recalculated computed millage, but not below the computed millage established pursuant to the most recent order qualifying bonds for that school district, or to the minimum levy prescribed by law for receipt of qualified loans, whichever rate is higher. If the school district determines that the recalculated computed millage is higher than its current millage levy rate, the school district shall promptly notify the state treasurer in writing of the recalculated computed millage. Immediately thereafter, the school district shall increase its millage levy rate to the recalculated computed millage, subject to 1 of the following exceptions, and subject to any maximum millage levy rate otherwise prescribed for by law:

(i) For each school district's first recalculated computed millage required as of October 1, 2013, increase its millage levy by a percentage amount equal to the equivalent percentage of taxable value change for that school district over the immediately preceding 5 years, but not higher than the recalculated computed millage.

(ii) For each school district's subsequent recalculated computed millage beginning October 1, 2014 and each year thereafter, increase its millage levy by a percentage amount equal to the percentage of taxable value decline for the immediately preceding year ending September 30, but not to a rate higher than the recalculated computed millage.

(iii) If it is determined that a district's current computed millage is sufficient to pay all qualified loans by the mandatory final loan repayment date, no recalculation of the computed millage is required.

(b) "Final mandatory repayment date" means the final mandatory repayment date determined by the state treasurer under section 9.

(c) "Michigan finance authority" means the Michigan finance authority created under Executive

Reorganization Order No. 2010-2, MCL 12.194.

(d) "Qualified bond" means a bond that is qualified under this act for state loans as provided in section 16 of article IX of the state constitution of 1963. A qualified bond includes the interest amount required for payment of a school district's net interest obligation under an interest rate exchange or swap, hedge, or other agreement entered into pursuant to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, but does not include a termination payment or similar payment related to the termination or cancellation of an interest rate exchange or swap, hedge, or other similar agreement. A qualified bond may include a bond issued to refund loans owed to the state under this act.

(e) "Qualified loan" means a loan made under this act or former 1961 PA 108 from this state to a school district to pay debt service on a qualified bond.

(f) "Revolving loan fund" means the school loan revolving fund created under section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

(g) "School district" means a general powers school district organized under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or a school district of the first class as described in the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, having the power to levy ad valorem property taxes.

(h) "State treasurer" means the state treasurer or his or her duly authorized designee.

(i) "Taxable value" means the value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1924 Qualification of new bonds; terms and conditions applicable to outstanding qualified bonds; application for prequalification.

Sec. 4. (1) A school district may issue and market bonds as qualified bonds if the state treasurer has issued an order granting qualification under this act.

(2) Except with regard to qualification of new bonds, nothing in this act shall be construed to alter the terms and conditions applicable to outstanding qualified bonds issued in accordance with former 1961 PA 108. Unless otherwise amended as permitted by this act, outstanding qualified loans incurred in association with outstanding qualified bonds described in this subsection shall bear interest as provided in section 9(8) but otherwise shall be due and payable as provided in the repayment agreements entered into between the school district and the state before the effective date of this act.

(3) The state treasurer may qualify bonds for which the state treasurer has received an application for prequalification on or before May 25, 2005 without regard to the requirements of section 5(2)(f) if the electors of the school district approve the bonds at an election held during 2005.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1925 Preliminary qualification; application.

Sec. 5. (1) A school district may apply to the state treasurer for preliminary qualification of a proposed school bond issue by filing an application in the form and containing the information required by this act.

(2) An application for preliminary qualification of a school bond shall contain all of the following information:

(a) The proposed ballot language to be submitted to the electors.

(b) A description of the project or projects proposed to be financed.

(c) A pro forma debt service projection showing the estimated mills the school district will levy to provide revenue the school district will use to pay the qualified bonds, any outstanding qualified bonds, and any outstanding or projected qualified loans of the school district. For the purpose of the pro forma debt service projection, the school district may assume for the first 5 years following the date of the application the average growth or decline in taxable value for the 5 years or such other period of time requested by the school district if approved by the state treasurer preceding the date of the application and the average growth or decline rate for the 20 years immediately preceding the date of the application but not more than 3% or less than 0% growth rate, for the remaining term of the proposed bonds.

(d) Evidence that the rate of utilization of each project to be financed will be at least 85% for new buildings and 60% for renovated facilities. If the projected enrollment of the district would not otherwise support utilization at the rates described in this subsection, the school district may include an explanation of the actions the school district intends to take to address the underutilization, including, if applicable, actions to close school buildings or other actions designed to assure continued assured use of the facilities being financed.

(e) Evidence that the cost per square foot of the project or projects will be reasonable in light of economic conditions applicable to the geographic area in which the school district is located.

(f) Evidence that the school district will repay all outstanding qualified bonds, the proposed qualified bonds, all outstanding qualified loans, and all qualified loans expected to be incurred with respect to all qualified bonds of the school district, including the proposed qualified bond issue, not later than the applicable final mandatory repayment date.

(g) The overall utilization rate of all school buildings in the school district, excluding special education purposes.

(h) The total bonded debt outstanding of the school district and the total taxable value of property in the school district for the school district fiscal year in which the application is filed.

(i) A statement describing any environmental or usability problems to be addressed by the project or projects.

(j) An architect's analysis of the overall condition of the facilities to be renovated or replaced as a part of the project or projects.

(k) An amortization schedule demonstrating that the weighted average maturity of the qualified bond issue does not exceed 120% of the average reasonably expected useful life of the facilities, excluding land and site improvements, being financed or refinanced with the proceeds of the qualified bonds, determined as of the later of the date on which the qualified bonds will be issued or the date on which each facility is expected to be placed in service.

(l) An agreement that the school district will keep books and records detailing the investment and expenditure of the proceeds of the qualified bonds and, at the request of the state treasurer, the school district will promptly, but not later than the date specified in the request, which date shall be not less than 5 business days after the date of the request, submit information requested by the state treasurer related to the detailed information maintained by the school district as to the investment and expenditure of the proceeds of its qualified bonds.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1926 Prequalification of bonds; determination by state treasurer.

Sec. 6. The state treasurer shall prequalify bonds of a school district if the state treasurer determines all of the following:

(a) The issuance of additional qualified bonds will not prevent the school district from repaying its outstanding qualified bonds, the proposed bonds, all outstanding qualified loans, and all qualified loans expected to be incurred with respect to all qualified bonds of the school district, including the proposed bond issue, not later than the applicable final mandatory repayment date.

(b) The form and language of the ballot conforms with the requirements of this act.

(c) The school district has filed an application complying with the requirements of section 5.

(d) If the proposed bond issue is approved by the voters after September 30, 2012 and will result in additional qualified loans, the outstanding balance of all qualified loans on the most recent May 1 or November 1 did not exceed \$1,800,000,000.00. The \$1,800,000,000.00 limitation described in the immediately preceding sentence does not apply after June 30, 2016.

(e) The issuance of additional qualified bonds approved by voters after September 30, 2012 will not have an adverse financial impact on the school district, this state, or the school loan revolving fund. In making this determination, the state treasurer shall consider relevant factors, including, but not limited to, whether the issuance of the proposed bond issue will cause the aggregate outstanding amount of qualified and nonqualified bonds, including the proposed bond issue, and currently outstanding qualified loans of the school district to exceed 25% of the taxable value of the school district at the time the proposed bonds are issued.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1927 Qualification of bonds; determination by state treasurer; order; specifications; loan agreement; reapplication; qualification of refunding bonds; requirements.

Sec. 7. (1) The state treasurer shall qualify bonds of a school district if the state treasurer determines all of the following:

(a) A majority of the school district electors have approved the bonds.

(b) The terms of the bond issue comply with applicable provisions of the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(c) The school district is in compliance with the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(d) The weighted average maturity of the qualified bond issue does not exceed 120% of the average reasonably expected useful life of the facilities, excluding land and site improvements, being financed or refinanced with the proceeds of the bonds, determined as of the later of the date on which the qualified bonds

will be issued or the date on which each facility is expected to be placed in service.

(e) The school district has filed any information necessary to update the contents of the original application to reflect changes in any of the information approved in the preliminary qualification process.

(f) The school district has agreed that the school district will keep books and records detailing the investment and expenditure of the proceeds of the qualified bonds and, at the request of the state treasurer, the school district will promptly, but not later than the date specified in the request, which date shall be not less than 5 business days after the date of the request, submit information requested by the state treasurer related to the detailed information maintained by the school district as to the investment and expenditure of the proceeds of its qualified bonds.

(2) An order qualifying bonds shall specify the principal and interest payment dates for all the bonds, the maximum principal amount of and maximum interest rate on the bonds, the computed millage, if any, the final mandatory repayment date, and other matters as the state treasurer shall determine or as are required by this act.

(3) If the application for prequalification demonstrates that the school district will borrow from this state in accordance with this act, the state treasurer and the school district shall enter into a loan agreement setting forth the terms and conditions of any qualified loans to be made to the school district under this act.

(4) If a school district does not issue its qualified bonds within 180 days after the date of the order qualifying bonds, the order shall no longer be effective. However, the school district may reapply for qualification by filing an application and information necessary to update the contents of the original application for prequalification or qualification.

(5) The state treasurer shall qualify refunding bonds issued to refund qualified loans or qualified bonds if the state treasurer finds that all of the following are met:

(a) The refunding bonds comply with the provisions of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(b) That the school district will repay all outstanding qualified bonds, the proposed qualified bonds, all outstanding qualified loans, and all qualified loans expected to be incurred with respect to all qualified bonds of the school district, including the proposed qualified bond issue, not later than the applicable final mandatory repayment date.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1928 Submission of ballot to electors; ballot.

Sec. 8. A ballot submitted to the school electors of a school district after November 8, 2005 requesting authorization to issue unlimited tax general obligations that will be guaranteed by this state in accordance with section 16 of article IX of the state constitution of 1963 shall inform the electors that if the school district expects to borrow from this state to pay debt service on the bonds, the estimated total amount of the principal of that borrowing and the interest to be paid on that borrowing, the estimated duration of the millage levy, and the estimated computed millage rate for that levy. The ballot shall also inform the electors of the total amount of qualified bond and loan debt currently outstanding and that the estimated computed millage rate may change based on changes in certain circumstances.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1929 Amount of borrowing; limitation; payment date for outstanding qualified loans; order; maintenance of separate accounts for each school district; duration of millage levy; amended and restated repayment agreements; waiver of portion of millage levy; findings; interest; final or later mandatory repayment date.

Sec. 9. (1) Except as otherwise provided in this act, a school district may borrow from the state an amount not greater than the difference between the proceeds of the school district's computed millage and the amount necessary to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies.

(2) For school districts having qualified loans outstanding as of July 20, 2005, the state treasurer shall review information relating to each school district regarding the taxable value of the school district and the actual debt service of outstanding qualified bonds as of July 20, 2005 and shall issue an order establishing the payment date for all those outstanding qualified loans and any additional qualified loans expected to be incurred by those school districts related to qualified bonds issued before July 20, 2005. The payment date shall be not later than 72 months after the date on which the qualified bonds most recently issued by the school district are due and payable. The payment date established pursuant to this subsection for a school district is a final mandatory repayment date.

(3) For qualified loans related to qualified bonds issued after July 20, 2005, the qualified loans shall be due

72 months after the date on which the qualified bonds for which the school borrowed from this state are due and payable. The due date determined pursuant to this subsection for a school district is a final mandatory repayment date. This section does not preclude early repayment of qualified bonds or qualified loans.

(4) The state treasurer shall maintain separate accounts for each school district on the books and accounts of this state noting the qualified bond, the related qualified loans, the final payment date of the bonds, the final mandatory repayment date of the qualified loans, and the interest rate accrued on the loans.

(5) For qualified loans relating to qualified bonds issued after July 20, 2005, a school district shall continue to levy the computed millage until it has completely repaid all principal and interest on its qualified loans.

(6) For qualified loans relating to qualified bonds issued before July 20, 2005, a school district shall continue to comply with the levy and repayment requirements imposed before July 20, 2005. Not less than 90 days after July 20, 2005, the state treasurer and the school district shall enter into amended and restated repayment agreements to incorporate the levy and repayment requirements applicable to qualified loans issued before July 20, 2005.

(7) Upon the request of a school district made before June 1 of any year, the state treasurer annually may waive all or a portion of the millage required to be levied by a school district to pay principal and interest on its qualified bonds or qualified loans under this section if the state treasurer finds all of the following:

(a) The school board of the school district has applied to the state treasurer for permission to levy less than the millage required to be levied to pay the principal and interest on its qualified bonds or qualified loans under subsection (1).

(b) The application specifies the number of mills the school district requests permission to levy.

(c) The waiver will be financially beneficial to this state, the school district, or both.

(d) The waiver will not reduce the millage levied by the school district to pay principal and interest on qualified bonds or qualified loans under this act to less than 7 mills.

(e) The board of the school district, by resolution, has agreed to comply with all conditions that the state treasurer considers necessary.

(8) All qualified loans shall bear interest at 1 of the following rates:

(a) The greater of 3% or the average annual cost of funds used to make qualified loans plus 0.125%, but not less than the cost of funds on outstanding qualified notes and bonds issued by the Michigan finance authority to finance loans computed by the state treasurer not less often than annually.

(b) A lesser rate determined by the state treasurer to be necessary to maintain the exemption from federal income tax of interest on any bonds or notes issued to fund qualified loans.

(c) A higher rate determined by the state treasurer to be necessary to prevent the impairment of any contract of this state or the Michigan finance authority in existence on the effective date of the amendatory act that added this subdivision.

(9) A payment date determined under subsection (2) or a due date determined under subsection (3) is a final mandatory repayment date. Once established for a school district as provided in this section, a final mandatory repayment date shall apply to all qualified loans of the school district, whenever made, until 30 days after the date the school district has no outstanding qualified loans and no outstanding debt incurred to refund qualified loans. Notwithstanding this subsection, the state treasurer may determine a later mandatory repayment date for a school district that agrees to levy a higher millage, acceptable to the state treasurer, not to exceed 13 mills, than its existing computed millage.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2006, Act 71, Imd. Eff. Mar. 20, 2006;—Am. 2009, Act 50, Imd. Eff. June 18, 2009;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1930 Certificates of qualification or approval; file; delivery.

Sec. 10. The state treasurer shall keep all certificates of qualification or approval in a permanent file and shall deliver copies of the certificates to the school district.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1931 Rules; bulletins.

Sec. 11. The state treasurer may promulgate rules to implement this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and may issue bulletins as authorized by this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1932 Failure to apply for prequalification, qualification, or approval of bond before issuance.

Sec. 12. If a school district does not apply for prequalification or qualification or approval of a bond issue

before the issuance of those bonds, the state treasurer shall not approve or qualify those bonds as qualified bonds under this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1933 School district owing revolving loan fund; filing annual loan activity application required; borrowing for debt service on qualified bonds; draw request; duties of state treasurer upon receipt of qualified loan confirmation; notification of no need to borrow by school district; invoice for repayment amount; remittance.

Sec. 13. (1) If a school district owes a balance due to the revolving loan fund or has been identified as a potential borrower, the school district shall file an annual loan activity application with the state treasurer not less than 60 days before certifying its annual tax levy. The annual loan activity application shall be submitted in a format prescribed by the state treasurer and shall provide the taxable value, debt service, and any other information necessary to determine the proper required millage levy required under this act. The application shall contain a resolution passed by the local school board authorizing a designated school district official to complete all necessary documents to obtain a loan from the revolving loan fund or for making repayment to the revolving loan fund for the year.

(2) If a school district is eligible to borrow for debt service on qualified bonds, the school district shall file a draw request with the state treasurer not less than 30 days before each date on which the school district owes the debt service. The draw request shall include all of the following:

(a) A statement of the debt service owed in the next 6 months.

(b) A copy of the most recent bank statement showing the amount on hand in the debt service accounts for all qualified bonds.

(c) A statement of any revenue received for payment of the debt service since the date of the bank statement.

(d) A statement of any withdrawals made from the debt service account since the date of the bank statement.

(3) Not more than 7 days before the date established by the state treasurer for making qualified loans, the school district shall confirm in writing the final qualified loan amount to be drawn on a certificate in the form prescribed by the state treasurer.

(4) Upon receipt of a qualified loan confirmation described in subsection (3), the state treasurer shall determine the amount of the draw, which shall be the difference between the funds on hand in all debt service accounts and the amount of the debt service, and shall make a qualified loan in that amount to the school district no later than 6 days before the date the debt service is due.

(5) When a school district's current computed millage levy is sufficient to pay principal and interest on its qualified bonds, a school district shall notify the state treasurer in writing of no need to borrow no later than 30 days before the date set for payment of the qualified bonds.

(6) Within 30 days after receipt of the annual activity application under subsection (1), the state treasurer shall send an invoice to the school district for the amount of repayment the school district owes on its outstanding qualified loans, which shall be the difference between the debt service payable or paid to bondholders and the funds on hand at the school district, less a reasonable amount of funds on hand, as determined by the state treasurer, to cover minimum balance requirements or potential tax disputes. The school district shall remit the amount specified in the invoice within 30 days after the dated date of the invoice.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1934 Failure of school district to pay principal and interest due on qualified bonds; notice; payment by state treasurer; billing of school district for amount paid; remittance.

Sec. 14. (1) If any paying agent for a school district's qualified bonds notifies the state treasurer that the school district has failed to deposit sufficient funds to pay principal and interest due on the qualified bonds when due, or if a bondholder notifies the state treasurer that the school district has failed to pay principal or interest on qualified bonds when due, whether or not the school district has filed a draw request with the state treasurer, the state treasurer shall promptly pay the principal or interest on the qualified bond when due.

(2) If the state treasurer pays any amount described in this section, the state treasurer shall bill the school district for the amount paid and the school district shall immediately remit the amount to the state treasurer. If the school district would have been eligible to borrow the debt service in accordance with the terms of this act, the school district shall enter into a loan agreement establishing the terms of the qualified loan as provided in this act. If the state treasurer directs the Michigan municipal bond authority to pay any amount described in this section, the state treasurer shall cause the Michigan municipal bond authority to bill the

school district for the amount paid and the school district shall immediately remit the amount to the Michigan municipal bond authority.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1935 Default; repayment.

Sec. 15. (1) If a school district that owes this state loan repayments relating to qualified bonds fails to levy at least the computed millage upon its taxable value for debt retirement purposes for qualified bonds and for repayment of a qualified loan made under this act while any part of the qualified loan is unpaid or defaults in its agreement to repay a qualified loan or any installment of a qualified loan, the school district shall increase its debt levy in the next succeeding year to obtain the amount necessary to repay this state the amount of the default plus a late charge of 3% and shall pay that amount to this state together with any other amounts owed during the next tax year. The school district may use other funds to repay this state including a transfer of general funds of the school district, if approved by the state treasurer. The state treasurer shall not disburse state school aid to the school district until the school district has made satisfactory arrangements with the state treasurer for the payment of the amount in default.

(2) If a school district fails to process any report, application, confirmation, or repayment as required under this act, the state treasurer may withhold a school district's state aid funds until the school district complies with the requirements under this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1936 Charging and disposition of fees.

Sec. 16. (1) The state treasurer may charge a prequalification application fee, a qualification application fee, and an annual loan activity fee in the amounts determined by the state treasurer to be required to pay the estimated administrative expenses incurred under this act for the fiscal year in which the state treasurer imposes the fee.

(2) The state treasurer shall deposit all fees collected under this act into a separate fund established within the state treasury, and shall use the proceeds of the fees solely for the purpose of administering and enforcing this act. The unexpended and unobligated balance of this fund at the end of each state fiscal year shall be carried forward over to the succeeding state fiscal year and shall not lapse to the general fund but shall be available for reappropriation for the next state fiscal year.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1937 False statement or unauthorized use of proceeds; violation as felony; penalty.

Sec. 17. A person who knowingly makes a false statement or conceals material information for the purpose of obtaining qualification of a bond issue under this act or for the purpose of obtaining a qualified loan under this act, or who knowingly uses all or part of the proceeds of a qualified loan obtained under this act for any purpose not authorized by this act, is guilty of a felony punishable by imprisonment for not more than 4 years or a fine of not more than \$5,000.00, or both.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

388.1938 Use of remaining proceeds.

Sec. 18. If a school district has completed the projects approved by the school electors of the school district to be funded from proceeds of qualified bonds, a school district may use any remaining proceeds of the qualified bonds as follows:

(a) To pay debt service on the qualified bonds.

(b) To repay this state.

(c) If in the opinion of the school district's bond counsel use of the remaining proceeds for the purposes described in subdivisions (a) and (b) would adversely affect the federal tax treatment of interest on the qualified bonds, to pay for enhancements to the projects approved by the school electors as described in the ballot language proposing the qualified bonds.

History: 2005, Act 92, Imd. Eff. July 20, 2005;—Am. 2012, Act 437, Eff. Mar. 28, 2013.

388.1939 Actions by designee.

Sec. 19. The state treasurer may designate in writing a person or persons to take any actions required to be taken by the state treasurer under this act. The signature of any designee shall have the same force and effect as the signature of the state treasurer for all purposes of this act.

History: 2005, Act 92, Imd. Eff. July 20, 2005.

**OPINION #4422 OF THE ATTORNEY GENERAL, STATE OF MICHIGAN
DATED MARCH 12, 1965**

CONSTITUTIONAL LAW:
SCHOOL BONDS:
MUNICIPAL FINANCE COMMISSION:

Article 9, § 16, Michigan Constitution of 1963, requires school districts to borrow and State to lend sufficient sum to cover debt service payments on qualified bonds of school districts. Although this is not a pledge of full faith and credit of the State, the Municipal Finance Commission may and must enforce the duty of the district to borrow and the State to lend such sum.

No. 4422

March 12, 1965.

Hon. Sanford A. Brown
State Treasurer
Lansing, Michigan

You have asked in your letter of February 5 whether Article IX, § 16 of the Michigan Constitution of 1963 pledges the full faith and credit of the State to the payment of principal and interest of qualified school bonds.

Article IX, § 16 of the Michigan Constitution of 1963 provides in pertinent part as follows:

"The state * * * may borrow from time to time such amounts as shall be required, pledge its faith and credit and issue its notes or bonds therefor, for the purpose of making loans to school districts as provided in this section.

"If the minimum amount which would otherwise be necessary for a school district to levy in any year to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies, exceeds 13 mills on each dollar of its assessed valuation as finally equalized, or such lower millage as the legislature may prescribe, then the school district may elect to borrow all or any part of the excess from the state. In that event the state shall lend the excess amount to the school district for payment of principal and interest. If for any reason any school district will be or is unable to pay the principal and interest on its qualified bonds when due, then the school district shall borrow and the state shall lend to it an amount sufficient to enable the school district to make the payment.

"The term 'qualified bonds' means general obligation bonds of school districts issued for capital expenditures, including refunding bonds, issued prior to May 4, 1955, or issued thereafter and qualified as provided by law pursuant to Section 27 or Section 28 of Article X of the Constitution of 1908 or pursuant to this section."

Thus, the school district is required to borrow and the State to lend an amount sufficient to enable the school district to make payments of principal and interest due on qualified bonds, and the state is empowered to borrow and to issue its notes or bonds for the purpose of making such loans, and to pledge its full faith and credit for such state bonds or notes.

The constitutional provision quoted does not pledge the full faith and credit of the state to all qualified bonds. The state is not primarily liable on qualified bonds of a school district. Rather, the state is required to lend whatever the school district needs, from time to time, to meet debt service requirements on such bonds.

You ask what remedies are available to enforce the obligation of the state.

The quoted language makes it mandatory upon the school district to borrow and upon the state to lend "an amount necessary to enable the school district to make the payment." Under Chapter II, Section 2(f) of the Municipal Finance Act [C.L. 1948 § 132.2; M.S.A. 1958 Rev. Vol. § 5.3188(4)f], the Municipal Finance Commission has power to enforce compliance with any law by, inter alia, the "institution of appropriate proceedings in the courts of the state, including those for writs of mandamus and injunction."

The Commission could and indeed must enforce the duty of the district to borrow and the state to lend. The bondholders also would have an action to enforce the duty of the district to borrow and of the state to lend.

Thus the bondholders are assured of the availability of state funds where needed to meet debt service requirements on qualified bonds. This is not a pledge of full faith and credit, but gives the bondholders as much or more protection as would such a pledge.

FRANK J. KELLEY,
Attorney General

**OPINION #4508 OF THE ATTORNEY GENERAL, STATE OF MICHIGAN
DATED AUGUST 29, 1966**

BONDS: Qualified bonds of school districts.

CONSTITUTION OF 1963: School Bond Loan Fund.

SCHOOLS: Bond Loans.

STATE TREASURER: Payment of principal and interest on qualified school district bonds.

Authority of State Treasurer and procedures to be followed in paying from the School Bond Loan Fund principal and interest on qualified school bonds upon presentment by a bondholder.

No. 4508 Hon. Allison Green
 State Treasurer
 Capitol Building
 Lansing, Michigan

August 29, 1966.

You have requested my opinion on what procedures should be followed by the state treasurer preparatory to making loans to local school districts which are unable to make payments on principal and interest of qualified school district bonds.¹

Loans to bonded school districts are authorized by Article IX, Section 16, Constitution of 1963, which in part contains pertinent language:

"If the minimum amount which would otherwise be necessary for a school district to levy in any year to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies, exceeds 13 mills on each dollar of its assessed valuation as finally equalized, or such lower millage as the legislature may prescribe, then the school district may elect to borrow all or any part of the excess from the state. In that event the state shall lend the excess amount to the school district for the payment of principal and interest. If for any reason any school district will be or is unable to pay the principal and interest on its qualified bonds when due, then the school district shall borrow and the state shall lend to it an amount sufficient to enable the school district to make the payment.

"The term 'qualified bonds' means general obligation bonds of school districts issued for capital expenditures, including refunding bonds, issued prior to May 4, 1955, or issued thereafter and qualified as provided by law pursuant to Section 27 or Section 28 of Article X of the Constitution of 1908 or pursuant to this section."

Article IX, Section 16, Constitution of 1963, is a continuation with minor revisions of the provisions relating to school bond financing which appeared in Sections 27 and 28 of Article X, Constitution of 1908. Section 27, Article X, Constitution of 1908, was proposed by joint resolution of the legislature in 1955 and approved by the people at the regular election of April 4, 1955. The loan provisions of Section 27 ceased to have effectiveness after July 1, 1962, and were replaced by the provisions of Section 28, Article X, Constitution of 1908, which was proposed by joint resolution of the legislature in 1960 and approved by the people at the general election of November 8, 1960. Section 28 by its own terms took effect on July 1, 1962.

Section 28, Article X, Constitution of 1908, was implemented by the legislature by the enactment of Act 108, P.A. 1961, which took effect September 8, 1961. The first section of Act 108, P.A. 1961, stated that the purpose of the act was to implement Section 28 of Article X of the Constitution of 1908. The Constitution of 1963 took effect on January 1, 1964. In anticipation of the effectiveness of that Constitution, the legislature passed Act 33, P.A. 1963, Second Extra Session, such act to take effect on January 1, 1964. Act 33, P.A. 1963, Second Extra Session, amended Sections 1, 3, 8 and 9 of Act 108, P.A. 1961, and further amended section 7 of Act 108, P.A. 1961, as amended by Act 131, P.A. 1962. The first section of amendatory Act 33 stated that the act's purpose was to implement Section 16 of Article IX of the Constitution of 1963. Subsequent amendment has been made to Sections 2, 4, 6, 9 and 10 of Act 108, P.A. 1961, by Act 169, P.A. 1964, which act also added a new Section 4a.²

¹In your letter of request you stated that you were familiar with Opinion No. 4422 issued by me on March 12, 1965, in which it was ruled that Article IX, Section 16, Constitution of 1963, requires school districts to borrow and the state to lend sufficient sums to cover debt service payments on qualified bonds of school districts but that this requirement is not a pledge of the full faith and credit of the state; the Municipal Finance Commission however may and must enforce the duty of the school district to borrow and have the state to lend the necessary amounts.

²Act 108, P.A. 1961, in its present amended form appears in M.S.A. 1965 Cum. Supp. § 3.424(111) et seq.

Answer to your question is to be found in amended Sections 6, 7 and 8 of the act. These sections present two situations in which you may become involved as state treasurer. The first situation is where a loan is to be made to the school district to permit the district to meet the principal and interest requirements on its bonds without a default in payment; the second is where the principal or interest on the bonds has not been paid when due upon proper presentation because of inadequate funds resulting in a default in payment.

Under amended Section 6 of the act, in any school district where the amount necessary to be levied in any year for principal and interest on qualified bonds exceeds 7 mills on each dollar of the assessed valuation of the school district as last equalized by the state, such school district on or before 60 days prior to the time of certification of its tax levy to the assessing officer shall file with the superintendent of public instruction³ a preliminary application for a loan from the state in the amount of any part of such excess over 7 mills which the school district does not propose to levy in such year.⁴ Amended Section 6 specifies the information to be supplied in the application. The superintendent of public instruction if he finds the application in proper form shall approve or deny the application in whole or in part and notify the school district of his action. Amended Section 7 of the act provides that if a loan from the state shall become necessary for the payment of principal and interest on qualified bonds in accordance with an approved preliminary application to the superintendent of public instruction or by virtue of a supplemental application, it shall be the duty of the superintendent of public instruction after audit to forward to the state treasurer a statement setting forth the amount to be loaned to the school district for the payment of principal and interest and the date on or before which loan shall be made.⁵ The superintendent shall prepare a voucher as a basis for the issuance of a warrant and upon receipt of such statement and warrant, it shall be the duty of the state treasurer to loan to the school district from the school bond loan fund the amount set forth in the statement of the superintendent of public instruction on or before the date specified therein. The state treasurer upon making such loan shall obtain from the school district a receipt for the amount so loaned which receipt shall specify the terms of repayment in accordance with the provisions of Section 16 of Article IX, Constitution of 1963 and the act. The school district treasurer upon receipt of the loan is required to deposit the same in the debt retirement fund to be used solely for the payment of principal and interest on qualified bonds.

The foregoing summaries of the procedures prescribed by amended Section 6 and 7 relate to the first situation above-described where the loan to the school district is to be made before the school district has defaulted in the payment of the principal or interest on its bonds.

The second situation described above is covered by amended Section 8 of the act which prescribes that in the event the principal or interest on any qualified bond is not paid when due, upon proper presentation of the bond or interest coupon to the agent or officer charged with making payment thereof, the state treasurer shall forthwith pay such principal or interest upon presentation of the bond or coupon to him. Any amount so paid by the state treasurer shall be deemed a loan to the school district made pursuant to the requirements of Section 16, Article IX, Constitution of 1963, and the act and the school district shall give a receipt therefor and repay the loan in the manner provided in the act for the repayment of loans.

The method of processing loans to school districts under amended Sections 6 and 7 before default in payment of principal or interest is adequately spelled out in those sections and no additional comment from me is necessary. Your real concern is in regard to the applicable procedures which you should follow in the situation where the school district has defaulted in the payment of principal or interest on its bonds and the bond or bonds and the interest coupons have not been paid when due by the paying agent because of lack of funds. In the event of such a happening it is assumed for the purposes of this opinion that the holder of the bond or of the interest coupon will make demand on you as state treasurer for the prompt payment of the obligation thereunder. Should such demand be made on you as state treasurer, you would be entitled to take the following action before making payment:

- a. Ascertaining from the superintendent of public instruction or from the records in your own office that the bonds involved are duly qualified bonds as defined and described in amended Section 3 of the act;
- b. Requiring proof reasonably satisfactory to you that the bond or bonds or the interest coupons have been properly presented for payment to the paying agent or officer charged with the responsibility for making payment thereof and that payment has been refused because sufficient monies had not been deposited by the school district for that purpose; such proof of nonpayment may be furnished you in the form of a certificate from the paying agent.

³Article VIII, Section 3, Constitution of 1963 requires the state board of education to appoint a superintendent of public instruction who shall be the principal executive officer of the department of education and who shall have powers and duties provided by law. Section 14 of Act 287, P.A. 1964 (M.S.A. 1965 Cum. Supp. § 15.1023(14)) specifies that after June 30, 1965, a reference in any law to the powers and duties of the superintendent of public instruction shall be deemed to be made to the state board of education, subject to exceptions not pertinent here, and that the state board of education may delegate any of its functions to the superintendent. Section 300 of Act 380, P.A. 1965, creates a department of education. Section 301 of that act provides that the head of the department of education is the state board of education. Section 303 of that act transfers by a Type III transfer all powers, duties and functions then vested by law in the superintendent of public instruction to the department of education. Section 305 of the act specifies that the principal executive officer of the department of education is the superintendent of public instruction. Act 380 appears in M.S.A. 1965 Cum. Supp. at § 3.29(1) et seq. Act 380, P.A. 1965, was amended without regard to the sections involved here by Act 407, P.A. 1965. Without doubt, under the foregoing provisions the state board of education could delegate to the superintendent of public instruction the performance of all of the functions and duties imposed on the board in connection with the School Bond Loan Fund.

⁴Other details set forth in amended Section 6 have been omitted.

⁵Other details set forth in amended Section 7 have been omitted.

c. Notification to the school district given by you or your designee of the action taken by paying agent in refusing payment of the bonds or interest coupons on presentment because of the failure of the school district to have deposited funds with the paying agent for that purpose and verification from the school district of the fact of such failure to supply the required funds; notification to the school district by you or your designee that payment of the required amounts were to be made from the school bond loan fund by you as state treasurer and that such payment would be in the form of a loan to the school district which the school district would be required to be repay to the school bond loan fund in the manner required by law; the school district will be required to furnish you as state treasurer with a receipt evidencing the loan and specifying the terms of repayment, as required by law.

Upon the fulfillment of the above conditions in a manner reasonably acceptable to you, you would be authorized to make payment of the amounts due on the bonds and interest coupons and thereupon to demand their surrender and delivery to you as state treasurer.

Because of the safeguards built into the Michigan Constitution and statutes there should be no default of Michigan qualified school bonds. The School Loan Fund Program will have afforded the school district access to loan funds prior to the due date of the principle [sic] and interest on such bonds. In order to advise of the procedures in the remote possibility of nonpayment, however, I have set forth the foregoing guide lines [sic].

FRANK J. KELLEY,
Attorney General

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APPENDIX B¹
SCHOOL DISTRICT DATA

Location and Area

Coopersville Area Public Schools is located in the southwest region of Michigan’s Lower Peninsula. The School District is comprised of approximately 108.6 square miles and consists of the entirety of the City of Coopersville and Polkton Township, and portions of Chester, Crockery, Tallmadge and Wright townships, in Ottawa County, and portions of Ravenna and Sullivan townships in Muskegon County. The area is primarily residential and agricultural with some light industry in the City of Coopersville.

Population²

The School District’s historical estimated populations within its boundaries are as follows:

<u>Year</u>	<u>School District</u>	<u>City of Coopersville</u>
2020	14,191	4,828
2010	12,816	4,275
2000	12,125	3,910
1990	11,131	3,421

The following is a record of the 2010 and 2020 populations for the municipal units that comprise the School District, without regard to the School District’s boundaries.

	<u>2010</u>	<u>2020</u>	<u>% Change</u>
<i>Ottawa County:</i>			
Chester Township	2,017	2,096	3.9%
Crockery Township	3,960	4,572	15.5
Polkton Township	2,423	2,565	5.9
Tallmadge Township	7,575	8,802	16.2
Wright Township	3,147	3,190	1.4
City of Coopersville	4,275	4,828	12.9
<i>Muskegon County:</i>			
Ravenna Township	2,903	2,962	2.0
Sullivan Township	2,441	2,541	4.1

Board of Education

The School District is governed by seven elected Board of Education members who serve staggered six-year terms.

¹ Unless otherwise noted, the information contained in Appendix B was provided by the School District.

² Sources: School District figures: Michigan Metropolitan Information Center, 1990 – Michigan Department of Management and Budget, 2000 - 2020 – U.S. Census of Population. Municipal unit figures: 2010 and 2020 - U.S. Census of Population

Enrollments

The following tables show total full-time equivalent enrollments as of the Fall pupil count day at the School District for the past ten years and 2023/2024 enrollment by grade.

Enrollment History

2023/24	2,523	2018/19	2,665
2022/23	2,569	2017/18	2,674
2021/22	2,521	2016/17	2,684
2020/21	2,595	2015/16	2,619
2019/20	2,665	2014/15	2,596

Projected enrollment for 2024/2025 is 2,523 as estimated by the School District.

2023/24 Enrollment by Grade

Kindergarten	190	8 th	205
1 st	154	9 th	219
2 nd	156	10 th	228
3 rd	162	11 th	198
4 th	165	12 th	211
5 th	168	Special Education	<u>70</u>
6 th	191		
7 th	206	Total	<u>2,523</u>

School District Facilities

<u>Facility</u>	<u>Grades Served</u>	<u>Year Constructed</u>	<u>Additions/ Remodeling</u>
<i>Elementary:</i>			
West Early Childhood Center	K-1	1985	1989, 2003, 2023
East Elementary	2-3	1989	2003
South Elementary	4-5	1986	2001
<i>Middle School/High School:</i>			
Coopersville Middle School	6-8	2009	
Coopersville High School	9-12	2001	1989, 2004
<i>Additional Facilities:</i>			
Community Services Building		1938	1985, 2001
Administration Building		2005	
Transportation Building		1986	2001

Other Schools

There are two private schools within the School District's boundaries: Lamont Christian, with enrollment of 120 and serving grades PK-8, and St. Joseph's Catholic School with enrollment of 105 serving grades PK-8. The School District provides K- 8, non-core curriculum academic services to 9.06 FTE students at Lamont Christian and 3.70 FTE students at St. Joseph's Catholic Schools. These 12.76 FTE students are included in the School District's 2023/24 Enrollment by Grade above.

Labor Relations

<u>Class</u>	<u>Number</u>	<u>Affiliation</u>	<u>Contract Expires</u>
Administrators	14	Non-Affiliated	N/A
Teachers	164	MEA/NEA	8/10/2025
Adm. Secretaries	2	Non-Affiliated	N/A
Secretaries	12	Non-Affiliated	N/A
Maintenance/Custodial/Bus Drivers	44	MEA/NEA	6/30/2027
Student Support Personnel	115	Non-Affiliated	N/A
Food Service	<u>2</u>	Non-Affiliated	N/A
Total	<u>353</u>		

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

Retirement Plan

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

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

The School District’s estimated contribution to MPERS for 2023/24 and the contributions for the previous four years are shown below.

<u>Fiscal Year Ending June 30</u>	<u>Contribution to MPERS¹</u>
2024	\$8,650,000 (est.)
2023	8,770,442
2022	6,640,744
2021	5,877,507
2020	5,394,869

Note: GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The School District implemented GASB 68 in its year ended June 30, 2018 audited financial statements. Please refer to the audit for the pension liability.

Other Post-Employment Benefits

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

¹ Sources: Audited Financial Statements and School District.

GENERAL FINANCIAL INFORMATION

Assessed Valuations¹

Taxable property in the School District is assessed by the respective municipal assessors and is subject to review by the County Equalization Departments. Tax levies on property in Michigan are applied against the taxable value of all property on the ad valorem tax roll as finally equalized by the State of Michigan.

In accordance with Act 539, Public Acts of Michigan, 1982, as amended, and Article IX, Section 3, of the 1963 Michigan Constitution, the ad valorem state equalized valuation ("SEV") represents 50 percent of true cash value. SEV does not include any value of tax exempt property (e.g. churches, governmental property and public schools) or property granted tax abatements under Act 198, Public Acts of Michigan, 1974, as amended. The assessed values of Industrial Facilities Tax (IFT) properties are maintained on a separate tax roll. Beginning in 1994, ad valorem property taxes are levied on the basis of taxable value, which is subject, in the case of some property, to assessment caps.

The following tables show a history of assessed valuations for the School District and an analysis of the 2023 taxable value by class and by municipal unit.

History of Valuations – State Equalized Valuation and Taxable Valuation^{2,3,4}

	<u>State Equalized Valuation</u>	<u>Taxable Valuation</u>
2024	\$1,193,746,505	\$764,325,541
2023	1,021,666,900	678,326,582
2022	883,636,300	601,187,277
2021	804,848,300	548,308,390
2020	751,830,877	525,022,215

2024 Taxable Value by Class^{2,3}

	<u>Taxable Value</u>	<u>% of Total Taxable Value</u>
Agriculture	\$103,201,080	13.50%
Commercial	67,632,637	8.85
Industrial	42,890,554	5.61
Residential	472,533,903	61.83
Commercial Personal	13,020,300	1.70
Industrial Personal	18,352,900	2.40
Utility Personal	46,694,167	6.11
Total	<u>\$764,325,541</u>	<u>100.00%</u>

¹ See "MICHIGAN PROPERTY TAX REFORM" herein for information regarding changes to certain tax classifications effective in the 2014 and 2016 tax years.

² Sources: Ottawa and Muskegon County Equalization Departments.

³ The School District's debt millage is levied on the taxable valuation plus the IFT equivalent taxable valuation.

⁴ Until 2008 all personal property was included in non-homestead valuations. Beginning in 2008, all industrial personal property is included in the homestead tax base to the extent not otherwise exempt. While commercial personal property continues to be included in the non-homestead tax base, it is exempt from the first 12 mills levied on nonhomestead property only to the extent not otherwise exempt.

2024 Taxable Valuation by Municipal Unit^{1,2,3}

<u>Name of Unit</u>	<u>Homestead</u> ³	<u>Non-Homestead</u> ²	<u>Total Taxable Valuation</u>	<u>% of Total Valuation</u>
<i>Ottawa County</i>				
Chester Township	\$29,061,535	\$3,762,882	\$32,824,417	4.29%
Crockery Township	425,249	12,600	437,849	0.06
Polkton Township	162,491,020	29,777,726	192,268,746	25.16
Tallmadge Township	159,210,907	16,642,962	175,853,869	23.01
Wright Township	114,712,526	29,088,149	143,800,675	18.80
City of Coopersville	97,890,085	94,720,840	192,610,925	25.20
<i>Muskegon County</i>				
Ravenna Township	16,052,957	6,844,344	22,897,301	3.00
Sullivan Township	<u>2,912,743</u>	<u>719,016</u>	<u>3,631,759</u>	<u>0.48</u>
Total	<u>\$582,757,022</u>	<u>\$181,568,519</u>	<u>\$764,325,541</u>	<u>100.00%</u>

Industrial Facilities Tax (IFT) Valuation¹

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

After expiration of the abatement certificate, the then-current SEV of the facility is returned to the ad valorem tax roll. The owner of such facility may obtain a new certificate, provided it has complied with the provisions of Act 198. The 2024 Taxable Value for the properties which have been granted IFT abatements within the School District’s boundaries is \$46,074,701 which is taxed at one-half rate of the total IFT valuations.

As part of the phase-out of Michigan’s property tax on personal property, if a facility and personal property within that facility is subject to an industrial facilities tax until the expiration of said tax at which time the property tax exemption would remain intact until the “eligible personal property” is exempt under the new law. See “MICHIGAN PROPERTY TAX REFORM” herein.

Tax Increment Authorities⁴

Act 57 of the Public Acts of Michigan, 2018 (the “Recodified TIF Act”) and Act 381 of the Public Acts of Michigan, 1996 (the “BRDA Act,” and, together with the Recodified TIF Act, the “TIF Acts”), authorize the designation of specific districts (the “TIF Districts”) known as Tax Increment Finance Authority (“TIFA”) Districts, Downtown Development Authority (“DDA”) Districts, Local Development Finance Authority (“LDFA”) Districts and Brownfield Redevelopment District Authority (“BRDA”) Districts, respectively. TIF Districts are authorized to formulate tax increment financing plans for public improvements, economic development, neighborhood revitalization and historic preservation within such areas. Tax increment financing permits the TIFA, DDA, LDFA or BRDA to capture tax revenues attributable to increases in value (“TIF Captured Value”) of real and personal property located within an approved development area while any tax increment financing plans by an established TIF District are in place. The City of Coopersville’s DDA within the School District has a 2024 Taxable Value of \$105,349,522 and a Final Captured Value of \$64,877,695. The DDA does not capture the School District’s operating or debt millage.

¹ Sources: Ottawa and Muskegon County Equalization Departments.

² See “MICHIGAN PROPERTY TAX REFORM” herein for information regarding changes to certain tax classifications effective in the 2014 and 2016 tax years.

³ Until 2008 all personal property was included in non-homestead valuations. Beginning in 2008, all industrial personal property is included in the homestead tax base. While commercial personal property continues to be included in the non-homestead tax base, it is exempt from the first 12 mills levied on non-homestead property only.

⁴ Source: City of Coopersville Treasurer.

Tax Levies and Collections

The School District's fiscal year begins July 1 and ends June 30. School District property taxes are levied on December 1 of each fiscal year and are payable without penalty or interest on or before February 14. On March 1, unpaid real property taxes are returned delinquent to the County Treasurers for collection with penalties and interest. On the first Tuesday in May in each year, a tax sale is held by the Counties at which lands delinquent for taxes assessed in the third year preceding the sale, or in a prior year, are sold for the total of the unpaid taxes of those years.

Ottawa and Muskegon Counties (the “Counties”), to date, have purchased and paid from their Tax Payment Funds the delinquent taxes on all real property of all taxing units in the Counties. The decision to make such payments is determined on an annual basis by the Counties. There is no guarantee that the payments will continue in future years. If the delinquent taxes which are due and payable to the Counties are not received by the Counties for any reason, the Counties have full rights of recourse against the School District to recover the amount of uncollected delinquent taxes, together with interest thereon, at the rate of one percent per month or fraction of a month until repaid to the Counties by the School District. Delinquent personal property taxes are negligible.

A history of the operating tax levies and collections for the School District is as follows:

<u>Levy Year</u>	<u>Operating Tax Levy</u>	<u>Collections to March 1 Each Year</u>		<u>Collections to June 30 Fiscal Year End</u>	
2024/25	\$2,807,500	(N/A)		(N/A)	
2023/24	2,673,797	\$2,554,696	95.56%	\$2,673,828	100.00%
2022/23	2,230,161	2,109,588	94.59%	2,230,161	100.00%
2021/22	1,863,800	1,777,163	95.35%	1,863,800	100.00%
2020/21	1,767,523	1,691,158	95.68%	1,767,523	100.00%
2019/20	1,588,486	1,571,272	98.92%	1,588,486	100.00%

State Aid Payments

The School District’s primary source of funding for operating costs is the State aid foundation allowance per pupil. The target foundation allowance for all school districts in the State of Michigan is \$9,608 per pupil for fiscal year 2023/24. In future years, this allowance may be adjusted by an index based upon the change in revenues to the State school aid fund and the change in the total number of pupils statewide. See “SOURCES OF SCHOOL OPERATING REVENUE” herein for additional information.

The following table shows a history of the School District’s Blended Pupil Count, Foundation Allowance Per Pupil and Total State Aid Payments including categoricals.

<u>Fiscal Year Ended 6/30</u>	<u>Blended Pupil Count</u>	<u>Foundation Allowance Per Pupil</u>	<u>Total State Aid Payments</u>
2023/24	2,532	\$9,608	\$31,500,000 (estimated)
2022/23	2,557	9,150	29,430,836
2021/22 ¹	2,520	8,700	25,261,285
2020/21 ²	2,648	8,111	24,637,134
2019/20 ³	2,659	7,936	23,247,747

¹ Public Act 48 of 2021 increased the foundation allowance to \$8,700 per pupil in 2021/22 and eliminated the foundation allowance range that has been in place since the passage of the school finance reform legislation in 1994. See “SOURCES OF SCHOOL OPERATING REVENUE” herein.

² Public Act 165 of 2020 restored the State school aid reductions contained in Public Act 146 of 2020 for the 2020/21 fiscal year, added a onetime \$65 per pupil payment and added other appropriations for qualifying school districts.

³ Public Act 146 of 2020 provided for a prorated reduction in State school aid payments to the School District, but also provided for additional funds from the federal Coronavirus Aid, Relief, and Economic Security Act to offset the state aid loss and provided additional funds to school districts.

Constitutional Millage Rollback

Article IX, Section 31 of the Michigan Constitution (also referred to as the “Headlee Amendment”) requires that if the total value of existing taxable property (State Equalized Valuation) in a local taxing unit, exclusive of new construction and improvements, increases faster than the U.S. Consumer Price Index from one year to the next, the maximum authorized tax rate for that local taxing unit must be reduced through a millage reduction fraction unless new millage is authorized by a vote of the electorate of the local taxing unit.

School District Tax Rates (Per \$1,000 of Valuation)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating ¹	17.8038	17.8038	17.8038	18.0000	17.8237
Debt	<u>8.9900</u>	<u>8.9900</u>	<u>8.9900</u>	<u>8.9900</u>	<u>8.9900</u>
Total Homestead	8.9900	8.9900	8.9900	8.9900	8.9900
Total Non-Homestead	26.7938	26.7938	26.7938	26.9900	26.8137

Other Tax Rates (Per \$1,000 of Valuation)²

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
State Education Tax	6.0000	6.0000	6.0000	6.0000	6.0000
Ottawa County	5.3984	5.4156	5.4156	5.4317	5.4449
City of Coopersville	13.2392	13.2399	13.2399	13.2419	13.2424
Polkton Township	4.1506	4.1752	4.1752	4.1996	4.1752
Ottawa County I/S/D ³	6.1546	6.2245	6.2245	6.1703	6.2201
Muskegon Community College	2.4393	2.5288	2.5288	2.5434	2.5437

Largest Taxpayers¹

Shown below are the ten largest identifiable taxpayers in the School District based on their 2024 taxable valuations. The taxpayers listed below represent 14.86% of the School District’s 2024 Taxable Valuation of \$764,325,541.

<u>Taxpayer</u>	<u>Product or Service</u>	<u>Taxable Value</u>	<u>Full IFT*</u>	<u>Total Valuation Subject to Taxation</u>
Fairlife, LLC/CS Facilities LLC	Agriculture	\$16,716,188	\$29,121,487	\$45,837,675
Michigan Electric Transmission Company, LLC	Utility	22,188,276		22,188,276
Consumers Energy Company	Utility	20,229,955		20,229,955
Brightmark Castor RNG LLC	Gas	17,148,175		17,148,175
275 68 th Ave LLC	Residential	10,606,200		10,606,200
Continental Dairy Facilities LLC	Dairy	0	9,651,378	9,651,378
Republic Services Inc.	Waste mgmnt.	7,736,121		7,736,121
Ottawa County Farm CO LLC	Agriculture	7,371,991		7,371,991
DTE Gas Company	Gas	6,253,000		6,253,000
930 O'Malley LLC	Automotive	5,354,740		5,354,740
TOTAL		<u>\$113,604,646</u>	<u>\$38,772,865</u>	<u>\$152,377,511</u>

*The School District collects debt tax revenues at one-half rate of the total IFT valuations.

¹ The School District levies voted operating millage on non-homestead property (all taxable property other than principal residences, qualified agricultural property, qualified forestry property, supportive housing property, property occupied by a public school academy and industrial personal property), provided that the levy on the portion of non-homestead property constituting commercial personal property will be exempt from the first 12 mills of the millage rate to the extent not otherwise exempt. See “MICHIGAN PROPERTY TAX REFORM” herein.

² Sources: Ottawa and Muskegon County Equalization Departments.

³ On November 6, 2018, the electors of Ottawa Area Intermediate School District approved a regional enhancement millage of 0.90 mill for a period of 10 years, which has been rolled back to 0.8616 mill in 2024. The School District expects to receive \$333 per pupil in 2024/2025 from the regional enhancement millage based on its pupil membership count.

Debt History

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

Future Financing

The School District does not anticipate issuing any capital financing or other bonds in the next twelve months.

School Bond Qualification and Loan Program¹

As of August 16, 2024, the School District will have an estimated balance of \$14,729,014.03 in the School Loan Revolving Fund.

Direct Debt as of August 16, 2024²

08/11/15	2015 Refunding Bonds, Series A (UTQ)	\$1,200,000
02/04/16	2016 Refunding Bonds (UTQ)	7,125,000
12/03/19	2019 Refunding Bonds (UTQ)	18,965,000
06/24/21	2021 Refunding Bonds (UTQ)	16,200,000
08/23/22	2022 School Building and Site Bonds, Series I (UTQ)	<u>22,550,000</u>
Direct Debt:		66,040,000
Plus:	2024 School Building and Site Bonds, Series II (UTQ)	<u>19,715,000</u>
NET DIRECT DEBT (as of date of delivery)		<u>\$85,755,000</u>

Overlapping Debt as of August 16, 2024³

<u>% Applicable</u>	<u>Municipality</u>	<u>Amount Outstanding</u>	<u>School District Share</u>
100.00	Coopersville City (Ottawa)	\$1,319,250	\$1,319,250
26.62	Chester Township (Ottawa)	260,000	69,212
0.18	Crockery Township (Ottawa)	3,196,001	5,753
100.00	Polkton Township (Ottawa)	843,750	843,750
18.06	Ravenna Township (Muskegon)	2,153	389
3.42	Sullivan Township (Muskegon)	81,270	2,779
0.42	Muskegon County	120,893,517	507,753
4.28	Ottawa County	50,041,253	2,141,766
3.91	Ottawa I/S/D	23,755,000	928,821
0.42	Muskegon Community College	22,880,000	96,096
77.77	Coopersville Area District Library	900,000	<u>699,930</u>
Net overlapping debt in the School District			<u>\$6,615,499</u>
NET DIRECT AND OVERLAPPING DEBT			<u>\$92,370,499</u>

¹ Source: Michigan Department of Treasury.

² Source: Municipal Advisory Council of Michigan and the School District.

³ Source: Municipal Advisory Council of Michigan.

Debt Ratios

2024 State Equalized Valuation (SEV)	\$1,193,746,505
2024 Taxable Valuation	\$764,325,541
2020 Population	14,191
Direct Debt (Including New Issue)	\$85,755,000
Direct/Overlapping Debt	\$92,370,499
Direct Debt Per Capita	\$6,043
Direct/Overlapping Debt Per Capita	\$6,509
Per Capita 2024 SEV	\$84,120
Ratio of Direct Debt to 2024 SEV	7.18%
Ratio of Direct/Overlapping Debt to 2024 SEV	7.74%
Per Capita 2024 Taxable Valuation	\$53,860
Ratio of Direct Debt to 2024 Taxable Valuation	11.22%
Ratio of Direct/Overlapping Debt to 2024 Taxable Valuation	12.09%

Legal Debt Margin¹

2024 State Equalized Valuation	\$1,193,746,505
Debt Limit (15% of 2024 State Equalized Valuation)	179,061,975
Debt Outstanding	\$85,755,000
Less bonds not subject to Debt Limit ¹	<u>(85,755,000)</u>
Total Subject to Debt Limit	<u>0</u>
Additional Debt Which Could Be Legally Incurred	<u>\$179,061,975</u>

ECONOMIC PROFILE

The School District is located in the southwestern quadrant of Michigan's Lower Peninsula. The School District is located the following distances from these commercial and industrial areas:

15	miles northwest of Grand Rapids, MI
15	miles east of Grand Haven, MI
18	miles southeast of Norton Shores, MI
20	miles southeast of Muskegon, MI
21	miles northeast Holland, MI
85	miles west of Lansing, MI

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

Unemployment¹

The following table shows the historical annual average unemployment rates (not seasonally adjusted) for Ottawa and Muskegon Counties and the State of Michigan.

	<u>Ottawa County</u>	<u>Muskegon County</u>	<u>State of Michigan</u>
2024, June	3.8%	5.3%	5.0%
2023	3.0	4.4	3.9
2022	3.2	5.0	4.1
2021	4.0	7.2	5.7
2020	7.1	11.9	10.0
2019	2.8	4.3	4.1

Major Employers²

<u>Company</u>	<u>Product or service</u>	<u>Approximate # of employees</u>
<i>Within the Area of the School District (53 or more)</i>		
Coopersville Area Public Schools	Education	353
Flextronics Automotive	Electronics, solenoids, wire harnesses	100
Kinney Tool and Die Inc	Die and tool manufacturing	100
Continental Dairy Facilities LLC	Nonfat dry milk	65
Fairlife, LLC	Grocery stores	64
Luther Logistic Transportation LLC	Trucking	60
Heath Manufacturing	Bird houses	53
<i>Ottawa County (408 or more)</i>		
Haworth International, Ltd.	Furniture manufacturing	3,000
Holland Hospital	Hospitals	1,400
Magna Mirrors of America, Inc.	Mineral product manufacturing	800
Grand Haven Area Public Schools	Education	776
Miller Knoll, Inc.	Furniture manufacturing	774
Ottawa County	County government	629
Odl, Incorporated	Wood product manufacturing	425
Woodward, Inc.	Industrial machinery repair	408
<i>Muskegon County (525 or more)</i>		
Trinity Health	Hospital systems	3,669
Howmet	Aerospace	2,316
County of Muskegon	Local government	1,060
Meijer, Inc.	Retail	900
ADAC Automotive	Plastics, automotive	714
G.E. Aviation	Aerospace	661
Wesco	Gasoline & convenience stores	634
Muskegon Public School District	Education	585
McDonald's Lion Inc.	Fast food	550
Aludyne	Chassis casting & machining	537
Structural Concepts	Display cases manufacturer	525

¹ Source: State of Michigan Office of Labor Market Information.

² Sources: D&B Hoovers, 2021 Michigan Manufacturers Directory, Greater Muskegon Economic Development, and the School District.

APPENDIX C

COOPERSVILLE AREA PUBLIC SCHOOLS

**General Fund Budget Summaries
Fiscal Years Ending June 30, 2024 and June 30, 2025**

	Amended <u>2023/24</u>	Adopted <u>2024/25</u>
<u>REVENUES</u>		
Local Sources	\$3,515,500	\$3,548,000
State Sources	31,682,000	32,617,500
Federal Sources	2,952,100	1,052,900
Other Financing Sources	<u>3,257,900</u>	<u>3,251,300</u>
 TOTAL REVENUES	 <u>41,407,500</u>	 <u>40,469,700</u>
 <u>EXPENDITURES</u>		
Instruction		
Basic Programs	18,037,500	18,545,500
Added Needs	5,177,200	5,264,600
Support Services		
Pupil Support	2,664,300	2,605,900
Instruction Staff Support	1,578,600	1,658,200
General Administration	700,000	735,000
School Administration	2,057,400	2,154,100
Business Services	325,000	354,500
Operations and Maintenance	3,110,700	3,250,000
Transportation	1,825,500	1,950,000
Other Central Support	1,180,700	1,110,000
Athletics	999,500	1,050,500
Community Services	450,000	425,100
Facilities Acquisition, Construction, and Improvements	290,000	250,000
Transfer to Capital Projects Fund	<u>2,800,000</u>	<u>1,000,000</u>
 TOTAL EXPENDITURES	 <u>41,196,400</u>	 <u>40,343,400</u>
 Excess of Revenues Over (Under) Expenditures	 211,100	 126,300
 Fund Balance - July 1	 7,266,975	 7,478,075
 Estimated Fund Balance - June 30	 <u>\$7,478,075</u>	 <u>\$7,604,375</u>

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The School District has not obtained the written consent of its auditor for the inclusion of the portions of the annual financial report contained in this Official Statement. Therefore, the auditor has not conducted a post-audit review of such information.

COOPERSVILLE AREA PUBLIC SCHOOLS
REPORT ON FINANCIAL STATEMENTS
(with required supplementary and
additional supplementary information)
YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Coopersville Area Public Schools

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coopersville Area Public Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Coopersville Area Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Coopersville Area Public Schools as of June 30, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coopersville Area Public Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 13 to the financial statements, in 2023 the District adopted new accounting guidance, GASB Statement No. 96, *Subscription-based IT Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coopersville Area Public Schools' basic financial statements. The accompanying additional supplementary information, as identified in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information, including the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2023 on our consideration of Coopersville Area Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coopersville Area Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coopersville Area Public Schools' internal control over financial reporting and compliance.

October 12, 2023

**COOPERSVILLE AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Coopersville Area Public Schools ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2023. Please read it in conjunction with the District's financial statements which immediately follow this section.

District-Wide Financial Statements

The first two statements are District-wide financial statements that provide short-term and long-term financial information about the District's overall financial status. These statements are required by generally accepted accounting principles (GAAP) as described in the Government Accounting Standards Board (GASB) Statement No. 34. The statements are compiled using the full accrual basis of accounting and more closely represent financial statements presented by business and industry. All of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, both short- and long-term, are reported. As such, these statements include capital assets, net of related depreciation, as well as the bonded debt and other long-term obligations of the District resulting in total net position.

Over time, increases or decreases in the District's net position is one indicator of whether its financial position is improving or deteriorating. To assess the District's overall financial health, one should consider additional factors which may include the State's and/or region's economic condition, changes in the District's property tax base, and age and condition of its capital assets.

Fund Financial Statements

For the most part, the fund financial statements are comparable to financial statements for the previous fiscal year. The fund level statements are reported on a modified accrual basis in that only those assets that are deemed "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The formats of the fund statements comply with requirements of the Michigan Department of Education's "Accounting Manual". In the state of Michigan, school districts' major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in various other funds categorized as Special Revenue, Debt Service, and Capital Projects Funds.

The District also utilizes a proprietary internal service fund to provide early retirement incentives to District employees. This fund is reported on the accrual basis of accounting and distinguishes operating revenues from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. The District-wide financial statements incorporate data from both the governmental funds and the proprietary internal service fund.

In the fund financial statements, capital assets purchased are considered expenditures in the year of acquisition with no asset being reported. The issuance of debt is treated as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. The obligations for future years' debt service are not recorded in the fund financial statements.

**COOPERSVILLE AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Summary of Net Position

The following schedule summarizes the net position for the fiscal years ended June 30, 2023 and 2022:

	June 30, 2023	June 30, 2022*
Assets		
Current and other assets	\$ 37,303,683	\$ 14,727,113
Capital assets	64,595,189	61,125,562
Total assets	101,898,872	75,852,675
Deferred outflows of resources	23,908,342	13,052,941
Liabilities		
Long-term liabilities outstanding	88,850,602	69,156,347
Net pension liability	58,598,702	36,597,424
Net other postemployment benefits liability	3,228,938	2,403,200
Other liabilities	6,851,278	4,231,516
Total liabilities	157,529,520	112,388,487
Deferred inflows of resources	11,282,297	23,907,682
Net position		
Net investment in capital assets	(2,734,468)	(5,862,373)
Restricted for debt service	136,893	-
Restricted for food service	65,678	290,199
Unrestricted	(40,472,706)	(41,818,379)
Total net position	\$ (43,004,603)	\$ (47,390,553)

*The 2022 figures have not been updated for the adoption of GASB 96.

Analysis of Financial Position

During the fiscal year ended June 30, 2023, the District's net position increased by \$4,185,145. A few of the more significant factors affecting net position during the year are discussed below:

- Cash Equivalents, Deposits and Investments

At June 30, 2023, the District's cash equivalents, deposits and investments amounted to \$30,861,367. This represented an increase of \$21,472,142 from the previous year, resulting primarily from the issuance of the 2022 bond.

**COOPERSVILLE AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Analysis of Financial Position (continued)

➤ Capital Outlay Acquisitions

For the fiscal year ended June 30, 2023, \$5,739,180 of expenditures were capitalized and recorded as assets of the District. These additions to the District's capital assets will be depreciated/amortized over time as explained below.

The net effect of the new capital assets, assets disposed of during the fiscal year, and the current year's depreciation/amortization is a net increase to capital assets in the amount of \$3,268,822 for the fiscal year ended June 30, 2023.

➤ Depreciation/amortization Expense

GASB 34 requires school districts to maintain records of annual depreciation/amortization expense and the accumulation of depreciation/amortization expense over time. The net increase in accumulated depreciation/amortization expense is a reduction in the net position.

➤ Bonded Debt

For the fiscal year ended June 30, 2023, the District's bonded debt increased by \$18,718,648 as a result of current year issued bonded debt partially offset with current year repayments of previously issued bonded debt and current year amortization of premiums on previously issued bonds. At fiscal year-end, approximately \$74.9 million of principal was outstanding with approximately \$4.2 million due within one year.

➤ School Loan Revolving Program

As part of its strategic financing strategy, the District borrowed from the State of Michigan School Loan Revolving Program in the amount of \$513,826 while accruing additional interest of \$448,692.

➤ Accumulated Compensated Absences and Termination Benefits

At June 30, 2023, the District had an obligation to employees for the portion of earned compensated absences and termination benefits that they would be entitled to upon separation in the amount of approximately \$408,000.

**COOPERSVILLE AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Results of Operations

For the fiscal years ended June 30, 2023 and 2022, the results of operations, on a District-wide basis, were:

	Fiscal Year Ended June 30, 2023		Fiscal Year Ended June 30, 2022	
	Amount	%	Amount	%
General revenues				
Property taxes	\$ 7,881,437	16.83%	\$ 7,060,938	17.29%
State sources, unrestricted	21,265,280	45.42%	19,787,797	48.45%
Unrestricted Medicaid revenue	150,125	0.32%	161,990	0.40%
Investment earnings	540,697	1.15%	60,753	0.15%
Other	448,539	0.96%	480,750	1.18%
Total general revenues	30,286,078	64.68%	27,552,228	67.46%
Program revenues				
Charges for services	1,797,976	3.84%	1,161,437	2.84%
Operating grants and contributions	14,737,318	31.48%	12,128,252	29.70%
Total revenues	46,821,372	100.00%	40,841,917	100.00%
Expenses				
Instruction	20,847,125	48.90%	17,174,143	50.13%
Support services	14,231,396	33.38%	10,096,943	29.47%
Community services	375,547	0.88%	345,936	1.01%
Food services	1,644,138	3.86%	1,504,335	4.39%
Center Stage	44,441	0.10%	42,237	0.12%
Student/school activities	320,484	0.75%	334,575	0.98%
Interest on long-term debt	2,702,738	6.34%	2,164,868	6.32%
Depreciation - unallocated	2,470,358	5.79%	2,593,655	7.57%
Total expenses	42,636,227	100.00%	34,256,692	100.00%
Change in net position	\$ 4,185,145		\$ 6,585,225	

*The 2022 figures have not been updated for the adoption of GASB 96.

Analysis of Significant Revenues and Expenses

Significant revenues and expenditures are discussed in the segments below:

➤ Property Taxes

The District levied 17.8308 mills of property taxes for operations on non-principal residence exempt property for the 2022 tax year. According to Michigan law, the tax levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of increase in the prior year's Consumer Price Index or 5%, whichever is less. At the time that property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is one half of the property's market value. At June 30, 2023, there were no unpaid property taxes.

**COOPERSVILLE AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Analysis of Significant Revenues and Expenses (continued)

➤ State Sources

The majority of the unrestricted state sources of revenues is comprised of the per student foundation allowance. The State of Michigan funds school districts based on a blended student enrollment. For the 2022-2023 fiscal year, the District received \$9,150 per student full time equivalent. The student foundation allowance amount increased \$450 when compared to the 2021-2022 fiscal year.

➤ Operating Grants and Contributions

The District receives a significant portion of its operating revenue from categorical grants. For the fiscal year ended June 30, 2023, federal, state, and other grants and contributions amounted to \$14,737,318. This represents an 21.51% increase over the \$12,128,252 received for the 2021-2022 fiscal year. This increase was primarily due to an increase in State categorical funding as well as increases in the Education Stabilization Funds in response to the pandemic.

Comparative Expenditures

A comparison of the expenditures reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances is shown below:

Expenditures	2022 - 2023	2021 - 2022	Increase (Decrease)
Instruction	\$ 22,657,038	\$ 19,363,048	\$ 3,293,990
Supporting services	12,798,356	11,584,334	1,214,022
Community services	429,003	405,763	23,240
Food service activities	1,662,510	1,502,276	160,234
Center Stage	44,441	42,237	2,204
Student/school activities	320,484	334,575	(14,091)
Capital outlay	7,841,739	1,776,010	6,065,729
Debt service	6,237,802	17,911,111	(11,673,309)
Total expenditures	\$ 51,991,373	\$ 52,919,354	\$ (927,981)

**COOPERSVILLE AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

General Fund Budgetary Highlights

The Uniform Budgeting Act of the State of Michigan requires that the local Board of Education approve the annual operating budget prior to the start of the fiscal year on July 1. Any amendments to the original budget must be approved by the Board prior to the close of the fiscal year on June 30, 2023.

The following schedule shows a comparison of the original general fund budget, the final amended budget, and actual totals from operations for the fiscal year ending June 30, 2023.

	Original Budget	Final Budget	Actual	Final Variance with Budget	% Variance
Total revenues	\$ 35,471,300	\$ 39,900,900	\$ 39,925,661	\$ 24,761	0.06%
Expenditures					
Instruction	\$ 20,022,800	\$ 22,478,300	\$ 22,657,038	\$ (178,738)	-0.80%
Supporting services	13,064,400	12,974,600	12,798,356	176,244	1.36%
Community services	410,000	440,000	429,003	10,997	2.50%
Capital outlay	50,000	50,000	-	50,000	100.00%
Total expenditures	\$ 33,547,200	\$ 35,942,900	\$ 35,884,397	\$ 58,503	0.16%
Other financing sources (uses)	\$ (940,000)	\$ (3,290,000)	\$ (3,286,793)	\$ 3,207	-0.10%

The original budget adopted by the Board in June 2022 was amended twice during the year. The amendments, approved in January and June 2023, reflected necessary changes to both revenues and expenditures based on projections made by the Chief Financial Officer. The final budget amounts were determined without clear guidance from the State regarding the state aid reduction discussed above.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2022-2023 fiscal year, the District had invested approximately \$110.9 million as the original cost in a broad range of capital assets, including land, school buildings and facilities, school buses and other vehicles, and various types of equipment, resulting in a net increase of \$3,268,822 over the prior fiscal year after depreciation/amortization. Depreciation/amortization expense for the year amounted to \$2,470,358, bringing the accumulated depreciation/amortization to approximately \$46.3 million as of June 30, 2023.

	Cost	Accumulated Depreciation/ amortization	2023 Net Book Value	2022* Net Book Value
Land	\$ 1,291,607	\$ -	\$ 1,291,607	\$ 1,281,607
Construction in progress	2,471,392	-	2,471,392	-
Buildings and additions	85,354,122	31,861,004	53,493,118	53,605,599
Furniture and equipment	7,264,014	4,410,463	2,853,551	2,042,804
Transportation equipment	2,976,889	2,038,310	938,579	768,520
Right to use - subscription-based IT	362,185	72,965	289,220	-
Land improvements	11,240,234	7,982,512	3,257,722	3,427,032
	\$ 110,960,443	\$ 46,365,254	\$ 64,595,189	\$ 61,125,562

* The 2022 figures have not been updated for the adoption of GASB 96.

**COOPERSVILLE AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Capital Asset and Debt Administration (continued)

Long-term Obligations

At June 30, 2023, the District had approximately \$88.8 million in long-term obligations which included \$74.9 million in outstanding bonded debt. The bonded debt obligations increased during the year with \$18,718,648 due to \$23,084,579 in new bond issuance partially offset by approximately \$4.4 million in debt being redeemed. In addition to the bonded debt, the District has obligations for compensated absences and termination benefits estimated at approximately \$408,000 and borrowings from the State of Michigan's School Loan Revolving program, including accrued interest in the amount of \$13,510,332 at the end of the fiscal year.

Factors Bearing on the District's Future

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

- After 28 years since Proposal A of 1994 was passed in Michigan, the State's goal of closing the funding gap was achieved with the 2021-22 State Aid Act, bringing the lowest funded districts up to the base per pupil foundation allowance. The allowance is set at \$9,150 for the 2022-23 school year, an increase of \$450 per pupil over the 2021-22 School year.
- During the ongoing COVID-19 pandemic, the Federal Government passed multiple financial relief acts that provided support to states and school districts for the express purpose of addressing educational needs. These educational needs include the new challenges faced in educating students during the pandemic and the ongoing need to address subsequent learning loss. The District anticipates using funds from the Supplemental Elementary and Secondary School Emergency Relief, the American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund along with the State's Supplemental Per Pupil Equalization Funding over the next two fiscal years as allowed by legislation.
- With a slight decline in enrollment post pandemic and rising costs in many areas including employee wages, employee health insurance, retirement contribution costs, and utilities, District administration continues to be diligent in maintaining a reasonable level of reserves (fund balance). Measures to accomplish this include, but are not limited to, cooperative agreements with Ottawa Area Intermediate School District as well as neighboring public and parochial schools and the continuation of strategic choices in how the District handles its non-instructional support services.
- In September 2012, the Governor signed P.A. 300 of 2012 - MPSERS Reform into law. This bill is the first step by the lawmakers to reform the Michigan Public Schools Employee Retirement System (MPSERS) in order to make it affordable and sustainable into the future. This law requires current school employees to make choices regarding their pension and retiree healthcare which could impact the District's and employee's contributions. It also sets the stage for addressing the ever-growing unfunded liability that MPSERS is facing. To date, these efforts have worked to reduce the unfunded liability on a state-wide basis.

**COOPERSVILLE AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Factors Bearing on the District's Future (continued)

- On May 3, 2022, the District asked voters to consider a building and site bond proposal to address current and future capital needs. Coopersville's voters voiced their support for its public schools and approved the requested bond issue. The bonds will be issued in two series, one in August 2022 and the second expected in the summer of 2024. These needed resources will be used to enhance all buildings, including additions to West Elementary and the High School, and the athletic fields. The resources will also be used to improve safety and security including campus traffic flow, enhance instructional technology, and ensure proper equipment and transportation needs are addressed now and in the near future.
- In the spring of 2022, the District entered into a collective bargaining agreement with its teachers. The contract runs through the 2024-25 school year and provides for annual increases for the teaching staff. Administration believes that this agreement allows financial predictability in its major expenditure component which continues to provide for financial stability.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional information, please contact the Chief Financial Officer at Coopersville Area Public Schools, 198 East Street, Coopersville, MI 49404.

BASIC FINANCIAL STATEMENTS

**COOPERSVILLE AREA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	<u>Governmental</u>
ASSETS	
Cash and cash equivalents	\$ 8,368,387
Investments	1,568,451
Receivables	
Accounts	20,038
Intergovernmental	5,729,201
Inventories	217,670
Prepays	423,834
Restricted investments	20,976,102
Capital assets not being depreciated/amortized	3,762,999
Capital assets, net of accumulated depreciation/amortization	60,832,190
TOTAL ASSETS	101,898,872
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	665,798
Related to pensions	18,571,781
Related to other postemployment benefits	4,670,763
TOTAL DEFERRED OUTFLOWS OF RESOURCES	23,908,342
LIABILITIES	
Accounts payable	2,874,336
Retainage payable	243,228
Accrued salaries and related items	2,130,403
Accrued interest	379,605
Accrued retirement	1,201,549
Unearned revenue	22,157
Noncurrent liabilities	
Due within one year	4,276,365
Due in more than one year	84,574,237
Net pension liability	58,598,702
Net other postemployment benefits liability	3,228,938
TOTAL LIABILITIES	157,529,520
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	227,186
Related to other postemployment benefits	6,888,019
Related to state pension funding	4,167,092
TOTAL DEFERRED INFLOWS OF RESOURCES	11,282,297
NET POSITION	
Net investment in capital assets	(2,734,468)
Restricted for debt service	136,893
Restricted for food service	65,678
Unrestricted	(40,472,706)
TOTAL NET POSITION	\$ (43,004,603)

See notes to financial statements.

**COOPERSVILLE AREA PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Governmental
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	\$ 20,847,125	\$ -	\$ 11,676,415	\$ (9,170,710)
Support services	14,231,396	430,845	1,459,649	(12,340,902)
Community services	375,547	692,766	-	317,219
Food services	1,644,138	585,824	1,168,817	110,503
Center Stage	44,441	88,541	-	44,100
Student/school activities	320,484	-	432,437	111,953
Interest on long-term debt	2,702,738	-	-	(2,702,738)
Unallocated depreciation/amortization	2,470,358	-	-	(2,470,358)
Total governmental activities	\$ 42,636,227	\$ 1,797,976	\$ 14,737,318	(26,100,933)
General revenues				
Property taxes, levied for general purposes				2,230,161
Property taxes, levied for debt service				5,651,276
Investment earnings				540,697
State sources - unrestricted				21,265,280
Medicaid revenue - unrestricted				150,125
Other				448,539
Total general revenues				30,286,078
CHANGE IN NET POSITION				4,185,145
NET POSITION, beginning of year, as restated				(47,189,748)
NET POSITION, end of year				\$ (43,004,603)

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**COOPERSVILLE AREA PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	2022 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,787,446	\$ -	\$ 4,561,066	\$ 8,348,512
Investments	1,568,451	-	-	1,568,451
Receivables				
Accounts	13,000	-	7,038	20,038
Intergovernmental	5,687,706	-	41,495	5,729,201
Due from other funds	390	-	7,557	7,947
Inventories	200,223	-	17,447	217,670
Prepays	370,379	-	53,455	423,834
Restricted investments	-	20,976,102	-	20,976,102
	<u>\$ 11,627,595</u>	<u>\$ 20,976,102</u>	<u>\$ 4,688,058</u>	<u>\$ 37,291,755</u>
TOTAL ASSETS				
LIABILITIES				
Accounts payable	\$ 1,030,317	\$ 1,698,393	\$ 145,626	\$ 2,874,336
Retainage payable	-	243,228	-	243,228
Accrued salaries and related items	2,128,482	-	1,921	2,130,403
Accrued retirement	1,198,301	-	3,248	1,201,549
Unearned revenue	3,520	-	18,637	22,157
Due to other funds	-	-	7,947	7,947
	<u>4,360,620</u>	<u>1,941,621</u>	<u>177,379</u>	<u>6,479,620</u>
TOTAL LIABILITIES				
FUND BALANCES				
Nonspendable				
Inventories	200,223	-	17,447	217,670
Prepays	370,379	-	53,455	423,834
Restricted				
Capital projects	-	19,034,481	-	19,034,481
Food service	-	-	345,553	345,553
Debt service	-	-	516,498	516,498
Committed				
Center Stage	-	-	55,429	55,429
Student/school activities	-	-	365,956	365,956
Assigned				
Capital improvement fund	-	-	3,156,341	3,156,341
Compensated absences	401,827	-	-	401,827

See notes to financial statements.

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	General Fund	2022 Capital Project Fund	Total Nonmajor Funds	Total Governmental Funds
FUND BALANCES				
Unassigned	\$ 6,294,546	\$ -	\$ -	\$ 6,294,546
	<u>7,266,975</u>	<u>19,034,481</u>	<u>4,510,679</u>	<u>30,812,135</u>
TOTAL FUND BALANCES				
TOTAL LIABILITIES AND FUND BALANCES				
	<u>\$ 11,627,595</u>	<u>\$ 20,976,102</u>	<u>\$ 4,688,058</u>	<u>\$ 37,291,755</u>
Total governmental fund balances				\$ 30,812,135
Amounts reported for governmental activities in the statement of net position are different because:				
Deferred charge on refunding, net of amortization				665,798
Deferred outflows of resources - related to pensions				18,571,781
Deferred inflows of resources - related to pensions				(227,186)
Deferred outflows of resources - related to other postemployment benefits				4,670,763
Deferred inflows of resources - related to other postemployment benefits				(6,888,019)
Deferred inflows of resources - related to state pension funding				(4,167,092)
Capital assets used in governmental activities are not financial resources and are not reported in the funds:				
The cost of the capital assets is			\$ 110,960,443	
Accumulated depreciation/amortization is			(46,365,254)	
				64,595,189
Internal service fund net position				13,875
Long-term liabilities are not due and payable in the current period and are not reported in the funds:				
Bonds payable and other debt				(88,442,775)
Compensated absences				(401,827)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid				(379,605)
Net pension liability				(58,598,702)
Net other postemployment benefits liability				(3,228,938)
Net position of governmental activities				<u>\$ (43,004,603)</u>

See notes to financial statements.

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**COOPERSVILLE AREA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	General Fund	2022 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Local sources				
Property taxes	\$ 2,230,161	\$ -	\$ 5,651,276	\$ 7,881,437
Food sales	-	-	445,492	445,492
Ticket sales	-	-	88,541	88,541
Student/school activities	-	-	432,437	432,437
Investment earnings	111,955	387,190	41,173	540,318
Other	641,105	-	210,400	851,505
Total local sources	2,983,221	387,190	6,869,319	10,239,730
State sources	30,057,972	-	339,898	30,397,870
Federal sources	3,819,885	-	1,018,777	4,838,662
Incoming transfers and other	3,064,583	-	-	3,064,583
TOTAL REVENUES	39,925,661	387,190	8,227,994	48,540,845
EXPENDITURES				
Current				
Instruction	22,657,038	-	-	22,657,038
Supporting services	12,798,356	-	-	12,798,356
Community service activity	429,003	-	-	429,003
Food service activity	-	-	1,662,510	1,662,510
Center Stage	-	-	44,441	44,441
Student/school activities	-	-	320,484	320,484
Capital outlay	-	4,210,283	3,631,456	7,841,739
EXPENDITURES (continued)				
Debt service				
Principal repayment	\$ -	\$ -	\$ 3,860,000	\$ 3,860,000
Interest	-	-	2,119,279	2,119,279
Other	-	227,005	31,518	258,523
TOTAL EXPENDITURES	35,884,397	4,437,288	11,669,688	51,991,373
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,041,264	(4,050,098)	(3,441,694)	(3,450,528)
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issuance	-	22,750,000	1,444	22,751,444
Bond premium	-	334,579	-	334,579
Proceeds from sale of capital assets	3,207	-	-	3,207
Proceeds from school loan revolving fund	-	-	513,826	513,826
Transfers in	60,000	-	3,350,000	3,410,000
Transfers out	(3,350,000)	-	(60,000)	(3,410,000)
TOTAL OTHER FINANCING SOURCES (USES)	(3,286,793)	23,084,579	3,805,270	23,603,056
NET CHANGE IN FUND BALANCES	754,471	19,034,481	363,576	20,152,528
FUND BALANCES				
Beginning of year	6,512,504	-	4,147,103	10,659,607
End of year	\$ 7,266,975	\$ 19,034,481	\$ 4,510,679	\$ 30,812,135

See notes to financial statements.

See notes to financial statements.

**COOPERSVILLE AREA PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

**COOPERSVILLE AREA PUBLIC SCHOOLS
PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2023**

Net change in fund balances total governmental funds	\$ 20,152,528
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation/amortization:	
Depreciation/amortization expense	(2,470,358)
Capital outlay	5,739,180
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable, beginning of the year	244,838
Accrued interest payable, end of the year	(379,605)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items are as follows:	
Proceeds from subscription-based IT arrangements	
Payments on general obligation bonds	3,860,000
Interest on school loan revolving fund	(448,692)
Amortization of deferred charges on refunding	(82,373)
Amortization of general obligation bonds premium	505,931
Proceeds from school loan revolving fund	(513,826)
Proceeds from issuance of bonds	(22,750,000)
Premium on debt obligations	(334,579)
Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered available:	
Unavailable revenue, beginning of the year	(43,332)
Unavailable revenue, end of the year	-
Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences, beginning of the year	370,738
Accrued compensated absences, end of the year	(401,827)
Internal service fund change in net position	379
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:	
Pension related items	(130,194)
Other postemployment benefits related items	2,547,508
Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension benefits contributions subsequent to the measurement period:	
State aid funding, beginning of the year	2,485,921
State aid funding, end of the year	(4,167,092)
Change in net position of governmental activities	<u>\$ 4,185,145</u>

See notes to financial statements.

	Internal Service Fund
ASSETS	
Cash	<u>\$ 19,875</u>
LIABILITIES	
Noncurrent liabilities	
Early retirement incentives due within one year	<u>6,000</u>
NET POSITION	
Proprietary fund net position	<u>\$ 13,875</u>

See notes to financial statements.

**COOPERSVILLE AREA PUBLIC SCHOOLS
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED JUNE 30, 2023**

	Internal Service Fund
NONOPERATING REVENUE	
Interest income	\$ 379
NET POSITION	
Beginning of year	13,496
End of year	\$ 13,875

See notes to financial statements.

**COOPERSVILLE AREA PUBLIC SCHOOLS
 PROPRIETARY FUND
 STATEMENT CASH FLOWS
 YEAR ENDED JUNE 30, 2023**

	Internal Service Fund
CASH FLOWS FOR OPERATING ACTIVITIES	
Payments to retirees	\$ (18,000)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned on investments	379
Net decrease in cash and cash equivalents	(17,621)
CASH AND CASH EQUIVALENTS	
Beginning of year	37,496
End of year	\$ 19,875
CASH FOR OPERATING ACTIVITIES	
Operating income	\$ -
Adjustments to reconcile operating income to net cash used by operating activities	
Early retirement incentives payable	(18,000)
Net cash used by operating activities	\$ (18,000)

See notes to financial statements.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

Reporting Entity

The Coopersville Area Public Schools (the "District") is governed by the Coopersville Area Public Schools Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards Board (GASB) Statements.

Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following *Major Governmental Funds*:

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

The *2022 Capital Projects Fund* accounts for the receipt of debt proceeds and the acquisition of capital assets or construction of major capital projects. The *2022 Capital Projects Fund* includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provisions of §1351a of the Revised School Code.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

The following is a summary of the cumulative revenue, other financing sources (uses), and expenditures for the 2022 capital projects activity:

Revenues and other financing sources	<u>\$ 387,190</u>
Expenditures and other financing uses	<u>\$ 4,437,288</u>

The above revenue and other financing sources figure does include the total 2022 bond proceeds and premium of \$23,084,579.

Other Nonmajor Funds

The *Capital Improvement Fund* accounts for costs of construction projects and capital improvements. Financing is the general fund and budgeted annually.

The *Special Revenue Funds* account for revenue sources that are legally restricted or committed to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service, center stage, and student/school activities in the special revenue funds.

The *Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal and ongoing operations. Proprietary funds are included in the government-wide statements.

The *Internal Service Fund* recognizes, as operating revenue, internal transfers intended to recover the cost of providing specific benefits to retired employees. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

During the course of operations, the District 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, they are eliminated in the preparation of the government-wide financial statements.

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, they are eliminated in the preparation of the government-wide financial statements

COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

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 District considers revenues to be available if they are generally collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts.

The state portion of the foundation is provided primarily by a state education property tax millage of 5.83 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by Non-PRE property taxes which may be levied at a rate of up to 17.83 mills as well as 5.83 mills for Commercial Personal Property Tax. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as intergovernmental receivables.

COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

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

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

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. Other funds do not have appropriated budgets.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The District does not utilize encumbrance accounting.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.
- d. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.
- e. The budget was amended during the year with supplemental appropriations, the last one approved prior to year ended June 30, 2023. The District does not consider these amendments to be significant.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Cash and Cash Equivalents

The District'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

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

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

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

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets

Capital assets, which include property, plant, equipment, and transportation vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Group purchases are evaluated on a case-by-case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

Land and construction in progress are not depreciated. Right to use assets of the District are amortized using the straight-line method over the shorter of the lease/subscription period or the estimated useful lives. The other property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Lives</u>
Building and additions	40 - 50 years
Furniture and equipment	5 - 15 years
Right to use - subscription-based IT	2 - 6 years
Transportation equipment	5 - 10 years
Land improvements	10 - 20 years

Defined Benefit Plans

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

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. They are the deferred charge on refunding, pension, and other postemployment benefits related items reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expensed in the plan year in which they apply.

COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Inflows

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

Net Position Flow Assumption

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

In the computation of net invested in capital assets, school loan revolving fund principal proceeds of \$13,021,605 are considered capital-related debt. Accrued interest on the school loan revolving fund of \$488,727 has been included in the calculation of unrestricted net position.

In addition, during the year ended June 30, 2021, and 2020, the District issued bonded debt in the amount of \$16,200,000 and \$23,225,000 used to make principal and interest payments related to the school loan revolving fund. A portion of these proceeds are not considered capital related debt as this amount was used to pay off accrued interest. The allocation of this debt not considered capital related at June 30, 2023 is \$924,112.

Fund Balance Flow Assumptions

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

COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - 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 District itself can establish limitations 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 District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action remains in place until a similar action is taken (the adoption of another board action) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Education 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.

Lease and Subscription-based IT Arrangements (SBITA)

Lessee/subscriber: The District is a lessee for a noncancelable lease/subscription of a building and an IT arrangement. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The District recognizes a lease/SBITA liability and an intangible right-to-use lease/SBITA asset in the government-wide financial statements.

At the commencement of a lease/subscription, the District initially measures the lease/SBITA liability at the present value of payments expected to be made during the lease/SBITA term. Subsequently, the lease/SBITA liability is reduced by the principal portion of lease/SBITA payments made. The lease/SBITA asset is initially measured as the initial amount of the lease/SBITA liability, adjusted for lease/SBITA payments made at or before the lease/SBITA commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA asset is amortized on a straight-line bases over its useful life.

Key estimates and judgements related to leases included how the District determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases/SBITA.
- The lease/SBITA term includes the noncancelable period of the lease/subscription. Lease/SBITA payments included in the measurement of the lease/SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Lease and Subscription-based IT Arrangements (SBITA) (continued)

The District monitors changes in circumstances that would require a remeasurement of its lease/SBITA and will remeasure the lease/SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/SBITA liability.

Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term obligations on the statement of net position.

Lessor: The District is a lessor for a noncancelable lease of a building. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied and become a lien as of July 1 and December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

For the year ended June 30, 2023, the District levied the following amounts per \$1,000 of assessed valuation:

Fund	Mills
General fund	
Non-Principal Residence Exemption (PRE)	17.83
Commercial Personal Property	5.83
Debt service fund	
PRE, Non-PRE, Commercial Personal Property	8.99

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses (continued)

Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary and related benefits, where applicable.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method over the term of the related debt. Bond issuance costs are reported as expenditures in the year in which they are incurred.

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

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2023, the District had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2023, \$9,106,091 of the District's bank balance of \$9,606,091 was exposed to custodial credit risk because it was uninsured and uncollateralized. The above amounts include interest bearing accounts. The carrying amount on the financial statements is \$9,278,004.

Custodial Credit Risk - Investments

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

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

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

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

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury Notes	11,030,213	0.9590
Federal Agency Notes	973,050	0.2677
MILAF External Investment Pool - CMC	6,795,671	N/A
MILAF External Investment Pool - MAX	2,177,168	N/A
Michigan Class Investment Pool - General	<u>607,259</u>	0.1215
Total fair value	<u>\$ 21,583,361</u>	
Portfolio weighted average maturity		<u>0.5021</u>
One day maturity equals 0.0027, one year equals 1.00.		

Concentration of Credit Risk

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

Investment Type	Fair Value	Rating	Rating Agency
U.S. Treasury Notes	\$ 11,030,215	AAAm	Standard & Poor's
Federal Agency Notes	973,050	AAAm	Standard & Poor's
MILAF External Investment Pool - CMC	6,795,671	AAAm	Standard & Poor's
MILAF External Investment Pool - MAX	2,177,168	AAAm	Standard & Poor's
Michigan Class Investment Pool - General	<u>607,259</u>	AAAm	Standard & Poor's
Total	<u>\$ 21,583,363</u>		

Foreign Currency Risk

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

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement

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

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

	Level 1	Level 2	Level 3	Balance at June 30, 2023
Investments by fair value level:				
U.S. Treasury Notes	\$ 11,030,213	\$ -	\$ -	\$ 11,030,213
Federal Agency Notes	-	973,050	-	973,050
	<u>\$ 11,030,213</u>	<u>\$ 973,050</u>	<u>\$ -</u>	<u>\$ 12,003,263</u>

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

The District voluntarily invests certain excess funds in external pooled investment funds which included money market funds. One of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund (MILAF). MILAF funds are considered external investment pools as defined by the GASB and as such are recorded at amortized cost which approximate fair value. The MILAF (MAX Class) fund requires notification of redemptions prior to 14 days to avoid penalties. These funds are not subject to the fair value disclosures.

	Amortized Cost
MILAF External Investment Pool - CMC	\$ 6,795,671
MILAF External Investment Pool - MAX	<u>2,177,168</u>
	<u>\$ 8,972,839</u>

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments in Entities that Calculate Net Asset Value per share

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

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

At the year ended June 30, 2023, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan Class Investment Pool - General	<u>\$ 607,259</u>	<u>\$ -</u>	No restrictions	None

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

The following summarizes the categorization of these amounts at June 30, 2023:

Cash and cash equivalents	\$ 8,368,387
Investments	<u>22,544,553</u>
	<u>\$ 30,912,940</u>

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - CAPITAL ASSETS

A summary of changes in the District's capital assets are as follows:

	As restated Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Assets not being depreciated				
Land	\$ 1,281,607	\$ 10,000	\$ -	\$ 1,291,607
Construction in progress	-	2,471,392	-	2,471,392
Subtotal	<u>1,281,607</u>	<u>2,481,392</u>	<u>-</u>	<u>3,762,999</u>
Other capital assets				
Buildings and additions	83,987,407	1,366,715	-	85,354,122
Furniture and equipment	6,047,819	1,216,195	-	7,264,014
Transportation equipment	2,765,708	362,961	151,780	2,976,889
Right to use - subscription-based IT	200,805	161,380	-	362,185
Land improvements	11,089,697	150,537	-	11,240,234
Subtotal	<u>104,091,436</u>	<u>3,257,788</u>	<u>151,780</u>	<u>107,197,444</u>
Accumulated depreciation/amortization				
Buildings and additions	30,381,808	1,479,196	-	31,861,004
Furniture and equipment	4,005,015	405,448	-	4,410,463
Transportation equipment	1,997,188	192,902	151,780	2,038,310
Right to use - subscription-based IT	-	72,965	-	72,965
Land improvements	7,662,665	319,847	-	7,982,512
Total accumulated depreciation/amortization	<u>44,046,676</u>	<u>2,470,358</u>	<u>151,780</u>	<u>46,365,254</u>
Net capital assets being depreciated/amortized	<u>60,044,760</u>	<u>787,430</u>	<u>-</u>	<u>60,832,190</u>
Net governmental capital assets	<u>\$ 61,326,367</u>	<u>\$ 3,268,822</u>	<u>\$ -</u>	<u>\$ 64,595,189</u>

Depreciation/amortization expense is unallocated as the assets serve multiple functions.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Receivables at June 30, 2023 consist of the following:

Governmental units	
State aid	\$ 5,296,561
Federal revenue	393,740
ISD and other	<u>38,900</u>
	<u>\$ 5,729,201</u>

Because of the District's favorable collection experience, no allowance for doubtful accounts has been recorded.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2023 are as follows:

Receivable Fund		Payable Fund	
General Fund	\$ 390	Nonmajor funds	\$ 7,947
Nonmajor Funds	<u>7,557</u>		<u>-</u>
	<u>\$ 7,947</u>		<u>\$ 7,947</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting systems, and (3) payments between funds are made.

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations for the District for the year ended June 30, 2023:

	General Obligation Bonds	Notes from Direct Borrowings and Direct Placements	Accumulated Compensated Absences	Accumulated Termination Benefits	Total
Balance, July 1, 2022	\$ 56,213,795	\$ 12,547,814	\$ 370,738	\$ 24,000	\$ 69,156,347
Additions	23,084,579	962,518	108,591	-	24,155,688
Deletions	<u>(4,365,931)</u>	<u>-</u>	<u>(77,502)</u>	<u>(18,000)</u>	<u>(4,461,433)</u>
Balance, June 30, 2023	74,932,443	13,510,332	401,827	6,000	88,850,602
Due within one year	<u>4,190,000</u>	<u>-</u>	<u>80,365</u>	<u>6,000</u>	<u>4,276,365</u>
Due in more than one year	<u>\$ 70,742,443</u>	<u>\$ 13,510,332</u>	<u>\$ 321,462</u>	<u>\$ -</u>	<u>\$ 84,574,237</u>

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

Long-term obligations at June 30, 2023 are comprised of the following issues:

General Obligation Bonds	
2013 Refunding bonds due in annual installments of \$215,000 through May 1, 2024 with interest of 3.00%.	\$ 215,000
2015 Refunding bonds Series A due in annual installments of \$100,000 through May 1, 2036 with interest from 3.375% to 4.00%.	1,300,000
2016 Refunding bonds due in installments of \$680,000 to \$1,680,000 through May 1, 2029 with interest from 4.00% to 5.00%.	8,415,000
2019 Refunding bonds due in installments of \$2,385,000 to \$4,670,000 through May 1, 2030 with interest from 2.25% to 2.75%.	21,350,000
2021 Refunding bonds due in installments of \$160,000 to \$5,220,000 through May 1, 2033 with interest from 1.10% to 2.25%.	16,200,000
2022 Building and Site bonds due in installments of \$80,000 to \$1,680,000 through May 1, 2052 with interest from 4.00% to 5.00%.	22,750,000
Plus premium on bond refunding	<u>4,702,443</u>
Total general obligation bonds	<u>74,932,443</u>
Notes from Direct Borrowings and Direct Placements	
Borrowings from the State of Michigan under the School Loan Revolving Fund, including interest at 4.11% at June 30, 2023.	<u>13,510,332</u>
Total general obligation bonds and notes from direct borrowings and direct placements	<u>88,442,775</u>
Obligation under contract for compensated absences	401,827
Obligation under contract for termination benefits	<u>6,000</u>
Total long-term obligations	<u>\$ 88,850,602</u>

Borrowing from the State of Michigan - The school loan revolving payable represents a note payable to the State of Michigan for loans made to the school district, as authorized by the State of Michigan Constitution, for the purpose of paying principal and interest on general obligation bonds of the school district issued for capital expenditures. Interest rates are to be annually determined by the State Administrative Board. The interest rate at June 30, 2023 was 4.11%. Repayment is required when the millage rate necessary to cover the annual bonded debt services falls below 8.99 mills. The school district is required to levy 8.99 mills and repay to the state any excess of the amount levied over the bonded debt service requirements. The District currently levies 8.99 debt mills. Due to the variability of the factors that affect the timing of repayment, including the future amount of state-equalized value of property in the school district, no provision for repayment has been included in the following amortization schedule. The state may apply a default late charge on the note if the District does not make the repayments or apply the default late charge if the District fails to levy the appropriate debt mills. The state may also withhold state aid payments if the District is in default.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

The District has defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2023, \$32,120,000 of bonds outstanding are considered defeased.

The annual requirements to amortize long-term debt obligations outstanding exclusive of school loan revolving fund and compensated absences and termination benefits payments as of June 30, 2023 are as follows:

Year Ending June 30,	General Obligation Bonds		Notes from Direct Borrowings and Direct Placements		Compensated Absences and Termination Benefits	Total
	Principal	Interest	Principal	Interest		
2024	\$ 4,190,000	\$ 2,277,628	\$ -	\$ -	\$ -	\$ 6,467,628
2025	4,335,000	2,138,944	-	-	-	6,473,944
2026	4,490,000	1,987,044	-	-	-	6,477,044
2027	4,550,000	1,834,827	-	-	-	6,384,827
2028	4,695,000	1,694,964	-	-	-	6,389,964
2029 - 2033	25,420,000	6,440,148	-	-	-	31,860,148
2034 - 2038	4,290,000	4,328,797	-	-	-	8,618,797
2039 - 2043	5,340,000	3,360,900	-	-	-	8,700,900
2044 - 2048	6,600,000	2,116,700	-	-	-	8,716,700
2049 - 2052	6,320,000	665,156	-	-	-	6,985,156
	70,230,000	26,845,108	-	-	-	97,075,108
Issuance premiums	4,702,443	-	-	-	-	4,702,443
School Loan						
Revolving Fund	-	-	13,021,605	488,727	-	13,510,332
Compensated absences and termination benefits	-	-	-	-	407,827	407,827
	<u>\$ 74,932,443</u>	<u>\$ 26,845,108</u>	<u>\$ 13,021,605</u>	<u>\$ 488,727</u>	<u>\$ 407,827</u>	<u>\$ 115,695,710</u>

Interest expense (all funds) for the year ended June 30, 2023 was approximately \$2.1 million.

NOTE 7 - PENSION AND OTHER POST EMPLOYMENT BENEFITS

Plan Description

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

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Plan Description (continued)

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

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

Benefits Provided - Overall

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

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

Benefits Provided - Pension

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

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

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System (MPERS) who became a member of MPERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012

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

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

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

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

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

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

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

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

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

COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (continued)

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

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

Pension Reform of 2017

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

Benefits Provided - Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Retiree Healthcare Reform of 2012 (continued)

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

Regular Retirement (no reduction factor for age)

Eligibility - A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through their 60th birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

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

Member Contributions

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

Employer Contributions

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

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

Pension and OPEB contributions made in the fiscal year ending September 30, 2022 were determined as of the September 30, 2019 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2019 are amortized over an 17-year period beginning October 1, 2021 and ending September 30, 2038.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (continued)

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

	<u>Pension</u>	<u>Other Postemployment Benefit</u>
October 1, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%

The District's pension contributions for the year ended June 30, 2023 were equal to the required contribution total. Total pension contributions were approximately \$7,322,000. Of the total pension contributions approximately \$7,123,000 was contributed to fund the Defined Benefit Plan and approximately \$199,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2023 were equal to the required contribution total. Total OPEB contributions were approximately \$1,438,000. Of the total OPEB contributions approximately \$1,310,000 was contributed to fund the Defined Benefit Plan and approximately \$128,000 was contributed to fund the Defined Contribution Plan.

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

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

Pension Liabilities

The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

<u>MPSERS (Plan) Non-university Employers</u>	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Total pension liability	\$ 95,876,795,620	\$ 86,392,473,395
Plan fiduciary net position	\$ 58,268,076,344	\$ 62,717,060,920
Net pension liability	\$ 37,608,719,276	\$ 23,675,412,475
Proportionate share	0.15581%	0.15458%
Net pension liability for the District	\$ 58,598,702	\$ 36,597,424

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

For the year ended June 30, 2023, the District recognized pension expense of \$7,285,865.

At June 30, 2023, the Reporting Unit 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 between expected and actual experience	\$ 586,192	\$ 131,020
Change of assumptions	10,069,357	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,041,841	96,166
Net difference between projected and actual earnings on pension plan investments	137,414	-
Reporting Unit's contributions subsequent to the measurement date	<u>6,736,977</u>	<u>-</u>
	<u>\$ 18,571,781</u>	<u>\$ 227,186</u>

\$6,736,977, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

Year Ending September 30,	Amount
2023	\$ 3,401,520
2024	2,655,944
2025	2,152,848
2026	3,397,306

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Liabilities

The net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-university Employers	September 30, 2022	September 30, 2021
Total other postemployment benefits liability	\$ 12,522,713,324	\$ 12,046,393,511
Plan fiduciary net position	\$ 10,404,650,683	\$ 10,520,015,621
Net other postemployment benefits liability	\$ 2,118,062,641	\$ 1,526,377,890
Proportionate share	0.15245%	0.15744%
Net other postemployment benefits liability for the District	\$ 3,228,938	\$ 2,403,200

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB benefit of \$1,223,304.

At June 30, 2023, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,324,252
Change of assumptions	2,878,056	234,348
Changes in proportion and differences between employer contributions and proportionate share of contributions	387,897	329,419
Net difference between projected and actual earnings on other postemployment benefits plan investments	252,367	-
Reporting Unit's contributions subsequent to the measurement date	<u>1,152,443</u>	<u>-</u>
	<u>\$ 4,670,763</u>	<u>\$ 6,888,019</u>

\$1,152,443, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

Year Ending September 30,	Amount
2023	\$ (1,221,536)
2024	(1,050,401)
2025	(929,498)
2026	(59,392)
2027	(98,543)
2028	(10,329)

Actuarial Assumptions

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

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

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

Inflation - 3.0%.

Mortality Assumptions -

Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Active: RP-2014 Male and Female Employee Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Disabled Retirees: RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Experience Study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2021. Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2018 valuation.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

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

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.75% for year one and graded to 3.5% in year fifteen. Post 65, 5.25% for year one and graded to 3.5% in year fifteen.

Additional Assumptions for Other Postemployment Benefit Only - Applies to Individuals Hired Before September 4, 2012:

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

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

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

The target asset allocation at September 30, 2022 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.1%
International Equity Pools	15.0%	6.7%
Private Equity Pools	16.0%	8.7%
Real Estate and Infrastructure Pools	10.0%	5.3%
Fixed Income Pools	13.0%	-0.2%
Absolute Return Pools	9.0%	2.7%
Real Return/Opportunistic Pools	10.0%	5.8%
Short Term Investment Pools	2.0%	-0.5%
	100.0%	

* Long term rates of return are net of administrative expenses and 2.2% inflation.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Rate of Return - For fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was (4.18)% and (4.99)%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

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

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	<u>\$ 77,328,517</u>	<u>\$ 58,598,702</u>	<u>\$ 43,164,491</u>

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

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net OPEB liability	<u>\$ 5,416,233</u>	<u>\$ 3,228,938</u>	<u>\$ 1,386,964</u>

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

	Other Postemployment Benefits		
	1% Trend Decrease	Healthcard Cost Trend Rates	1% Trend Increase
Reporting Unit's proportionate share of the net OPEB liability	<u>\$ 1,352,125</u>	<u>\$ 3,228,938</u>	<u>\$ 5,335,698</u>

Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension and OPEB's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2022 Annual Comprehensive Financial Report.

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

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees and natural disasters. The District purchases commercial insurance to cover any losses that may result from the above-described activities. Various deductibles ranging from \$250 to \$10,000 are maintained to place the responsibility for certain charges with the insured. No settlements have occurred in excess of coverage for the year ended June 30, 2023.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2023 are as follows:

Transfers out		Transfers in	
General fund	\$ 3,350,000	General fund	\$ 60,000
Nonmajor funds	60,000	Nonmajor funds	3,350,000
	\$ 3,410,000		\$ 3,410,000

During the year, transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

Further, during the year ended June 30, 2023, Coopersville Area Public Schools made the following one-time transfers:

- A transfer from the food service fund to general fund for indirect costs.
- A transfer from the general fund to the capital projects fund for future capital needs.

NOTE 10 - TAX ABATEMENTS

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Payments in Lieu of Taxes (PILOT) granted by two townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; PILOT programs apply to multiple unit housing for citizens of low income and the elderly. The property taxes abated for the general fund and debt service fund by municipality under these programs are as follows:

Municipality	Taxes Abated
City of Coopersville	\$ 136,578
Wright Township	6,255
Crockery Township	727
Chester Township	23
	\$ 143,583

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's section 22 funding of the State School Aid Act.

There are no abatements made by the District.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - CONTINGENT LIABILITIES

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

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2023, the District implemented the following new pronouncement: GASB Statement No. 96, *Subscription-based Information Technology Arrangements*.

Summary:

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements* was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLE (continued)

The restatement of the beginning of year had the following impact on net position:

	<u>Governmental Activities</u>
Net Position as of July 1, 2022	\$ (47,390,553)
Adoption of GASB Statement 96	200,805
Net Position as of July 1, 2022, as restated	<u>\$ (47,189,748)</u>

The change for capital assets is as follows:

	<u>Capital Assets</u>
Balance as of July 1, 2022	\$ 61,125,562
Adoption of GASB Statement 96	200,805
Balance as of July 1, 2022, as restated	<u>\$ 61,326,367</u>

REQUIRED SUPPLEMENTARY INFORMATION

**COOPERSVILLE AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 2,628,100	\$ 2,970,500	\$ 2,983,221	\$ 12,721
State sources	26,984,100	30,056,700	30,057,972	1,272
Federal sources	2,908,100	3,813,000	3,819,885	6,885
Incoming transfers and other	2,951,000	3,060,700	3,064,583	3,883
TOTAL REVENUES	35,471,300	39,900,900	39,925,661	24,761
EXPENDITURES				
Current				
Instruction				
Basic programs	16,560,300	17,948,300	18,092,278	(143,978)
Added needs	3,462,500	4,530,000	4,564,760	(34,760)
Total instruction	20,022,800	22,478,300	22,657,038	(178,738)
Supporting services				
Pupil	2,189,800	2,243,900	2,345,875	(101,975)
Instructional staff	1,890,600	1,560,000	1,452,561	107,439
General administration	610,000	658,400	633,929	24,471
School administration	2,045,200	1,758,800	1,788,917	(30,117)
Business	325,500	325,500	278,566	46,934
Operation/maintenance	3,027,800	3,100,000	3,027,918	72,082
Pupil transportation	1,355,400	1,550,000	1,491,524	58,476
Central	870,000	888,000	848,306	39,694
Athletics	750,100	890,000	930,760	(40,760)
Total supporting services	13,064,400	12,974,600	12,798,356	176,244
Community services	410,000	440,000	429,003	10,997
Capital outlay	50,000	50,000	-	50,000
TOTAL EXPENDITURES	33,547,200	35,942,900	35,884,397	58,503
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,924,100	3,958,000	4,041,264	83,264
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	3,207	3,207
Transfers in	60,000	60,000	60,000	-
Transfers out	(1,000,000)	(3,350,000)	(3,350,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(940,000)	(3,290,000)	(3,286,793)	3,207
NET CHANGE IN FUND BALANCE	\$ 984,100	\$ 668,000	754,471	\$ 86,471
FUND BALANCE				
Beginning of year			6,512,504	
End of year			<u>\$ 7,266,975</u>	

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**COOPERSVILLE AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	0.15581%	0.15458%	0.15018%	0.14978%	0.15159%	0.15345%	0.15336%	0.14904%	0.14982%
Reporting Unit's proportionate share of net pension liability	\$ 58,598,702	\$ 36,597,424	\$ 51,587,217	\$ 49,602,478	\$ 45,570,086	\$ 39,766,678	\$ 38,262,941	\$ 36,403,072	\$ 33,000,664
Reporting Unit's covered-employee payroll	\$ 14,876,395	\$ 14,261,095	\$ 13,449,706	\$ 13,097,978	\$ 12,856,009	\$ 12,774,655	\$ 13,124,830	\$ 12,417,559	\$ 12,720,273
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	393.90%	256.62%	383.56%	378.70%	354.47%	311.29%	291.53%	293.16%	259.43%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

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

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**COOPERSVILLE AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 7,122,990	\$ 5,214,105	\$ 4,191,538	\$ 4,060,418	\$ 3,917,410	\$ 4,000,466	\$ 3,588,070	\$ 2,006,036	\$ 2,102,350
Contributions in relation to statutorily required contributions	7,122,990	5,214,105	4,191,538	4,060,418	3,917,410	4,000,466	3,588,070	2,006,036	2,102,350
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reporting Unit's covered-employee payroll	\$ 16,312,397	\$ 14,711,476	\$ 13,866,385	\$ 13,432,428	\$ 13,055,363	\$ 12,751,858	\$ 12,729,372	\$ 12,623,947	\$ 12,531,252
Contributions as a percentage of covered-employee payroll	43.67%	35.44%	30.23%	30.23%	30.01%	31.37%	28.19%	15.89%	16.78%

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

**COOPERSVILLE AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)**

	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net OPEB liability (%)	0.15245%	0.15744%	0.15155%	0.14971%	0.15095%	0.15354%
Reporting Unit's proportionate share of net OPEB liability	\$ 3,228,938	\$ 2,403,200	\$ 8,118,748	\$ 10,746,047	\$ 11,999,108	\$ 13,596,686
Reporting Unit's covered-employee payroll	\$ 14,876,395	\$ 14,261,095	\$ 13,449,706	\$ 13,097,978	\$ 12,856,009	\$ 12,774,655
Reporting Unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	21.71%	16.85%	60.36%	82.04%	93.33%	106.43%
Plan fiduciary net position as a percentage of total net OPEB liability (Non-university employers)	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

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

**COOPERSVILLE AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S OPEB CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	2023	2022	2021	2020	2019	2018
Statutorily required contributions	\$ 1,309,724	\$ 1,213,463	\$ 1,053,441	\$ 1,137,107	\$ 1,073,228	\$ 1,128,949
Contributions in relation to statutorily required contributions	<u>1,309,724</u>	<u>1,213,463</u>	<u>1,053,441</u>	<u>1,137,107</u>	<u>1,073,228</u>	<u>1,128,949</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 16,312,397	\$ 14,711,476	\$ 13,866,385	\$ 13,432,428	\$ 13,055,363	\$ 12,751,858
Contributions as a percentage of covered-employee payroll	8.03%	8.25%	7.60%	8.47%	8.22%	8.85%

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

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023**

NOTE 1 - PENSION INFORMATION

Benefit Changes - there were no changes of benefit terms in 2022.

Changes of Assumptions - the assumption changes for 2022 were:

- Discount rate for MIP, Basic, and Pension Plus plans decreased to 6.00% from 6.80%.

NOTE 2 - OPEB INFORMATION

Benefit Changes - there were no changes of benefit terms in 2022.

Changes of Assumptions - the assumption changes for 2022 were:

- Discount rate decreased to 6.00% from 6.95%.

ADDITIONAL SUPPLEMENTARY INFORMATION

**COOPERSVILLE AREA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2023**

	Special Revenue	Debt Service	Capital improvement fund	Total Nonmajor Funds
ASSETS				
Cash and cash equivalents	\$ 831,422	\$ 517,431	\$ 3,212,213	\$ 4,561,066
Receivables				
Accounts	6,971	67	-	7,038
Intergovernmental	41,495	-	-	41,495
Due from other funds	7,557	-	-	7,557
Inventories	17,447	-	-	17,447
Prepays	53,455	-	-	53,455
TOTAL ASSETS	\$ 958,347	\$ 517,498	\$ 3,212,213	\$ 4,688,058
LIABILITIES				
Accounts payable	\$ 88,754	\$ 1,000	\$ 55,872	\$ 145,626
Accrued salaries and related items	1,921	-	-	1,921
Accrued retirement	3,248	-	-	3,248
Unearned revenue	18,637	-	-	18,637
Due to other funds	7,947	-	-	7,947
TOTAL LIABILITIES	120,507	1,000	55,872	177,379
FUND BALANCES				
Nonspendable				
Inventories	17,447	-	-	17,447
Prepays	53,455	-	-	53,455
Restricted				
Food service	345,553	-	-	345,553
Debt service	-	516,498	-	516,498
Committed				
Center Stage	55,429	-	-	55,429
Student/school activities	365,956	-	-	365,956
Assigned				
Capital improvement fund	-	-	3,156,341	3,156,341
TOTAL FUND BALANCES	837,840	516,498	3,156,341	4,510,679
TOTAL LIABILITIES AND FUND BALANCES	\$ 958,347	\$ 517,498	\$ 3,212,213	\$ 4,688,058

**COOPERSVILLE AREA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2023**

	Special Revenue	Debt Service	Capital Improvement Fund	Total Nonmajor Funds
REVENUES				
Local sources				
Property taxes	\$ -	\$ 5,651,276	\$ -	\$ 5,651,276
Food sales	445,492	-	-	445,492
Ticket sales	88,541	-	-	88,541
Student/school activities	432,437	-	-	432,437
Investment earnings	6,658	34,515	-	41,173
Other	138,888	-	71,512	210,400
Total local sources	1,112,016	5,685,791	71,512	6,869,319
State sources	153,175	186,723	-	339,898
Federal sources	1,018,777	-	-	1,018,777
TOTAL REVENUES	2,283,968	5,872,514	71,512	8,227,994
EXPENDITURES				
Current				
Food service activities	1,662,510	-	-	1,662,510
Community service activities	44,441	-	-	44,441
Student/school activities	320,484	-	-	320,484
Capital outlay	500,398	-	3,131,058	3,631,456
Debt service				
Principal repayment	-	3,860,000	-	3,860,000
Interest	-	2,119,279	-	2,119,279
Other	-	31,518	-	31,518
TOTAL EXPENDITURES	2,527,833	6,010,797	3,131,058	11,669,688
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(243,865)	(138,283)	(3,059,546)	(3,441,694)
OTHER FINANCING SOURCES (USES)				
Proceeds from school loan revolving fund	-	513,826	-	513,826
Proceeds from sale of capital assets	1,444	-	-	1,444
Transfers in	-	-	3,350,000	3,350,000
Transfers out	(60,000)	-	-	(60,000)
TOTAL OTHER FINANCING SOURCES (USES)	(58,556)	513,826	3,350,000	3,805,270
NET CHANGE IN FUND BALANCES	(302,421)	375,543	290,454	363,576
FUND BALANCES				
Beginning of year	1,140,261	140,955	2,865,887	4,147,103
End of year	\$ 837,840	\$ 516,498	\$ 3,156,341	\$ 4,510,679

**COOPERSVILLE AREA PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	Food Service	Center Stage	Student/ School Activities	Totals
ASSETS				
Cash and cash equivalents	\$ 388,961	\$ 60,266	\$ 382,195	\$ 831,422
Receivables				
Accounts	-	6,971	-	6,971
Intergovernmental	41,495	-	-	41,495
Due from other funds	7,557	-	-	7,557
Inventories	17,447	-	-	17,447
Prepays	50,000	-	3,455	53,455
TOTAL ASSETS	\$ 505,460	\$ 67,237	\$ 385,650	\$ 958,347
LIABILITIES				
Accounts payable	\$ 69,688	\$ 2,827	\$ 16,239	\$ 88,754
Accrued salaries and related items	1,921	-	-	1,921
Accrued retirement	2,214	1,034	-	3,248
Unearned revenue	18,637	-	-	18,637
Due to other funds	-	7,947	-	7,947
TOTAL LIABILITIES	92,460	11,808	16,239	120,507
FUND BALANCES				
Nonspendable				
Inventories	17,447	-	-	17,447
Prepays	50,000	-	3,455	53,455
Restricted for food service	345,553	-	-	345,553
Committed				
Center Stage	-	55,429	-	55,429
Student/school activities	-	-	365,956	365,956
TOTAL FUND BALANCES	413,000	55,429	369,411	837,840
TOTAL LIABILITIES AND FUND BALANCES	\$ 505,460	\$ 67,237	\$ 385,650	\$ 958,347

**COOPERSVILLE AREA PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	Food Service	Center Stage	Student/ School Activities	Totals
REVENUES				
Local sources				
Food sales	\$ 445,492	\$ -	\$ -	\$ 445,492
Ticket sales	-	88,541	-	88,541
Student/school activities	-	-	432,437	432,437
Investment earnings	6,130	528	-	6,658
Other	138,888	-	-	138,888
Total local sources	590,510	89,069	432,437	1,112,016
State sources	153,175	-	-	153,175
Federal sources	1,018,777	-	-	1,018,777
TOTAL REVENUES	1,762,462	89,069	432,437	2,283,968
EXPENDITURES				
Salaries	123,038	-	-	123,038
Benefits	77,369	513	-	77,882
Purchased services	544,730	13,838	-	558,568
Supplies and materials	914,835	30,090	-	944,925
Capital outlay	483,903	16,495	-	500,398
Student/school activities	-	-	320,484	320,484
Other	2,538	-	-	2,538
TOTAL EXPENDITURES	2,146,413	60,936	320,484	2,527,833
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(383,951)	28,133	111,953	(243,865)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	1,444	-	-	1,444
Transfers out	(45,000)	(15,000)	-	(60,000)
TOTAL OTHER FINANCING SOURCES (USES)	(43,556)	(15,000)	-	(58,556)
NET CHANGE IN FUND BALANCES	(427,507)	13,133	111,953	(302,421)
FUND BALANCES				
Beginning of year	840,507	42,296	257,458	1,140,261
End of year	\$ 413,000	\$ 55,429	\$ 369,411	\$ 837,840

**COOPERSVILLE AREA PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	2013	2015A	2016	2019	2021	2022	Totals
ASSETS							
Cash and cash equivalents	\$ 189,229	\$ 147,315	\$ 36,773	\$ 3,916	\$ 10,737	\$ 129,461	\$ 517,431
Accounts receivable	3	56	6	2	-	-	67
TOTAL ASSETS	\$ 189,232	\$ 147,371	\$ 36,779	\$ 3,918	\$ 10,737	\$ 129,461	\$ 517,498
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
FUND BALANCES							
Restricted for debt service	189,232	147,371	36,779	3,918	9,737	129,461	516,498
TOTAL LIABILITIES AND FUND BALANCES	\$ 189,232	\$ 147,371	\$ 36,779	\$ 3,918	\$ 10,737	\$ 129,461	\$ 517,498

**COOPERSVILLE AREA PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023**

	2013	2015A	2016	2019	2021	2022	Totals
REVENUES							
Local sources							
Property taxes	\$ 240,713	\$ 1,954,081	\$ 207,326	\$ 2,312,243	\$ 188,685	\$ 748,228	\$ 5,651,276
Investment earnings	33,804	-	-	-	711	-	34,515
Total local revenues	274,517	1,954,081	207,326	2,312,243	189,396	748,228	5,685,791
State sources	7,898	64,587	6,853	76,426	6,237	24,722	186,723
TOTAL REVENUES	282,415	2,018,668	214,179	2,388,669	195,633	772,950	5,872,514
EXPENDITURES							
Principal repayment	215,000	1,770,000	-	1,875,000	-	-	3,860,000
Interest	12,896	135,500	384,850	591,996	343,778	650,259	2,119,279
Other	1,586	23,585	2,865	941	1,280	1,261	31,518
TOTAL EXPENDITURES	229,482	1,929,085	387,715	2,467,937	345,058	651,520	6,010,797
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	52,933	89,583	(173,536)	(79,268)	(149,425)	121,430	(138,283)
OTHER FINANCING SOURCES (USES)							
Proceeds from school loan revolving fund	21,735	57,732	210,309	78,857	137,162	8,031	513,826
NET CHANGE IN FUND BALANCES	74,668	147,315	36,773	(411)	(12,263)	129,461	375,543
FUND BALANCES							
Beginning of year	114,564	56	6	4,329	22,000	-	140,955
End of year	\$ 189,232	\$ 147,371	\$ 36,779	\$ 3,918	\$ 9,737	\$ 129,461	\$ 516,498

**COOPERSVILLE AREA PUBLIC SCHOOLS
 BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
 JUNE 30, 2023**

2013 Refunding Bonds

Fiscal Year	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
2024	3.000%	\$ 215,000	\$ 3,225	\$ 3,225	\$ 221,450

The above bonds were issued March 26, 2013 for the purpose of refunding the 2004 building and site bonds. The amount of the original issue was \$2,180,000.

**COOPERSVILLE AREA PUBLIC SCHOOLS
 BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
 JUNE 30, 2023**

2015 Refunding Bonds - Series A

Fiscal Year	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
2024	4.000%	\$ 100,000	\$ 23,500	\$ 23,500	\$ 147,000
2025	4.000%	100,000	21,500	21,500	143,000
2026	4.000%	100,000	19,500	19,500	139,000
2027	4.000%	100,000	17,813	17,813	135,625
2028	3.375%	100,000	16,125	16,125	132,250
2029	3.375%	100,000	14,438	14,438	128,875
2030	3.375%	100,000	12,688	12,688	125,375
2031	3.500%	100,000	10,938	10,938	121,875
2032	3.500%	100,000	9,188	9,188	118,375
2033	3.500%	100,000	7,375	7,375	114,750
2034	3.625%	100,000	5,563	5,563	111,125
2035	3.625%	100,000	3,750	3,750	107,500
2036	3.750%	100,000	1,875	1,875	103,750
Total 2015A Refunding Debt		\$ 1,300,000	\$ 164,250	\$ 164,250	\$ 1,628,500

The above bonds were issued August 11, 2015 for the purpose of refunding the 2005 refunding bonds. The amount of the original issue was \$32,495,000.

**COOPERSVILLE AREA PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2023**

2016 Refunding Bonds

Fiscal Year	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
2024	5.000%	\$ 1,290,000	\$ 192,425	\$ 192,425	\$ 1,674,850
2025	5.000%	1,545,000	160,175	160,175	1,865,350
2026	5.000%	1,590,000	121,550	121,550	1,833,100
2027	4.000%	1,630,000	81,800	81,800	1,793,600
2028	4.000%	1,680,000	49,200	49,200	1,778,400
2029	5.000%	680,000	13,600	13,600	707,200
Total 2016 Refunding Bonds		\$ 8,415,000	\$ 618,750	\$ 618,750	\$ 9,652,500

The above bonds were issued February 4, 2016 for the purpose of refunding the 2006 refunding bonds. The amount of the original issue was \$15,915,000.

**COOPERSVILLE AREA PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2023**

2019 Refunding Bonds

Fiscal Year	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
2024	2.250%	\$ 2,385,000	\$ 275,813	\$ 275,813	\$ 2,936,626
2025	2.420%	2,470,000	248,946	248,946	2,967,892
2026	2.520%	2,560,000	219,121	219,121	2,998,242
2027	2.600%	2,655,000	186,929	186,929	3,028,858
2028	2.650%	2,740,000	152,481	152,481	3,044,962
2029	2.700%	3,870,000	116,244	116,244	4,102,488
2030	2.750%	4,670,000	64,096	64,096	4,798,192
Total 2019 Refunding Bonds		\$ 21,350,000	\$ 1,263,630	\$ 1,263,630	\$ 23,877,260

The above bonds were issued December 3, 2019 for the purpose of refunding outstanding school bond loan fund principal and interest. The amount of the original issue was \$23,225,000.

**COOPERSVILLE AREA PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2023**

2021 Refunding Bonds

Fiscal Year	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
2024	2.120%	\$ -	\$ 171,889	\$ 171,889	\$ 343,778
2025	2.120%	-	171,889	171,889	343,778
2026	1.100%	160,000	171,889	171,889	503,778
2027	1.450%	165,000	171,009	171,009	507,018
2028	1.600%	175,000	169,813	169,813	514,626
2029	1.850%	185,000	168,413	168,413	521,826
2030	1.950%	200,000	166,701	166,701	533,402
2031	2.050%	4,990,000	164,751	164,751	5,319,502
2032	2.150%	5,105,000	113,604	113,604	5,332,208
2033	2.250%	5,220,000	58,725	58,725	5,337,450
Total 2021 Refunding Bonds		\$ 16,200,000	\$ 1,528,683	\$ 1,528,683	\$ 19,257,366

The above bonds were issued June 24, 2021 for the purpose of refunding outstanding school bond loan fund principal and interest. The amount of the original issue was \$16,200,000.

**COOPERSVILLE AREA PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2023**

2022 Building & Site Bond

Fiscal Year	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
2024	5.000%	\$ 200,000	\$ 471,962	\$ 471,962	\$ 1,143,924
2025	5.000%	220,000	466,962	466,962	1,153,924
2026	4.000%	80,000	461,462	461,462	1,002,924
2027	4.000%	-	459,863	459,863	919,726
2028	4.000%	-	459,863	459,863	919,726
2029	4.000%	-	459,863	459,863	919,726
2030	4.000%	-	459,863	459,863	919,726
2031	4.000%	-	459,863	459,863	919,726
2032	4.000%	-	459,863	459,863	919,726
2033	4.000%	-	459,863	459,863	919,726
2034	4.000%	685,000	459,863	459,863	1,604,726
2035	4.000%	720,000	446,162	446,162	1,612,324
2036	4.000%	755,000	431,762	431,762	1,618,524
2037	4.000%	895,000	416,662	416,662	1,728,324
2038	4.000%	935,000	398,762	398,762	1,732,524
2039	4.000%	975,000	380,062	380,062	1,735,124
2040	4.500%	1,020,000	360,562	360,562	1,741,124
2041	4.500%	1,065,000	337,613	337,613	1,740,226
2042	4.500%	1,115,000	313,650	313,650	1,742,300
2043	4.500%	1,165,000	288,563	288,563	1,742,126
2044	4.000%	1,215,000	262,350	262,350	1,739,700
2045	4.000%	1,265,000	238,050	238,050	1,741,100
2046	4.000%	1,320,000	212,750	212,750	1,745,500
2047	4.000%	1,375,000	186,350	186,350	1,747,700
2048	4.000%	1,425,000	158,850	158,850	1,742,700
2049	4.125%	1,485,000	130,350	130,350	1,745,700
2050	4.125%	1,545,000	99,722	99,722	1,744,444
2051	4.125%	1,610,000	67,856	67,856	1,742,700
2052	4.125%	1,680,000	34,650	34,650	1,749,300
Total 2022 Building & Site Bonds		\$ 22,750,000	\$ 9,844,016	\$ 9,844,016	\$ 40,692,320

The above bonds were issued August 23, 2022 for the purpose of school building and site purposes. The amount of the original issue was \$22,750,000. The bonds will carry interest rates ranging from 4.00% to 5.00%.

**COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEDULE OF BORROWINGS - STATE OF MICHIGAN
SCHOOL LOAN REVOLVING FUND PROGRAM
JUNE 30, 2023**

Amounts needed for the payment of bond principal and interest in excess of receipts from property taxes are borrowed from the Michigan School Loan Revolving Fund. These loans, together with accrued interest payable thereon, are to be repaid when the debt retirement millage rate provides funds in excess of the amounts needed to pay current bond maturities and interest. The borrowings from and repayments to the State under this program have been summarized as follows:

Year Ended June 30,	Loan Proceeds	Interest Expense	Loan Balance
2015	\$ 22,488,547	\$ 3,303,906	\$ 25,792,453
2016	-	116,134	116,134
2016 repayment	(21,646,047)	(3,400,340)	(25,046,387)
2017	-	21,464	21,464
2017 repayment	(840,745)	(41,155)	(881,900)
2018	9,208,459	54,364	9,262,823
2019	12,046,236	401,870	12,448,106
2020	4,912,235	332,732	5,244,967
2020 repayment	(22,246,685)	(765,906)	(23,012,591)
2021	11,897,834	196,494	12,094,328
2021 repayment	(15,818,834)	(219,562)	(16,038,396)
2022	12,506,779	40,034	12,546,813
2023	513,826	448,692	962,518
Total at June 30, 2023	<u>\$ 13,021,605</u>	<u>\$ 488,727</u>	<u>\$ 13,510,332</u>

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**COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (Unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (Unearned) Revenue 6/30/2023
U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Child Nutrition Cluster								
Non-cash assistance (donated foods)								
National School Lunch Program - bonus	10.555	N/A	\$ 3,773	\$ -	\$ -	\$ 3,773	\$ 3,773	\$ -
National School Lunch Program		N/A	97,740	-	-	97,740	97,740	-
Total non-cash assistance (donated foods)			101,513	-	-	101,513	101,513	-
Cash Assistance								
National School Lunch Program	10.555	231960	542,111	-	-	565,258	542,112	23,146
National School Lunch Program		221960	70,787	-	-	70,787	70,787	-
National School Lunch Program		220910	81,534	-	-	81,534	81,534	-
National School Lunch Program		221961	1,079,209	34,251	1,079,209	-	34,251	-
			1,773,641	34,251	1,079,209	717,579	728,684	23,146
Total ALN 10.555			1,875,154	34,251	1,079,209	819,092	830,197	23,146
School Breakfast Program	10.553	221970	170,912	-	-	178,892	170,912	7,980
School Breakfast Program		211971	205,747	8,125	205,747	-	8,125	-
Total ALN 10.553			376,659	8,125	205,747	178,892	179,037	7,980
Summer Food Service Program for Children	10.559	220900	28,736	11,078	11,078	17,658	28,736	-
Total cash assistance			2,179,036	53,454	1,296,034	914,129	936,457	31,126
Total Child Nutrition Cluster			2,280,549	53,454	1,296,034	1,015,642	1,037,970	31,126
COVID-19 - Pandemic EBT Local Level Costs	10.649	220980	3,135	-	-	3,135	3,135	-
Total U.S. Department of Agriculture			2,283,684	53,454	1,296,034	1,018,777	1,041,105	31,126

The accompanying notes are an integral part of this schedule.

**COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (Unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (Unearned) Revenue 6/30/2023
U.S. Department of Education								
Passed through Michigan Department of Education								
Title I Grants to Local Educational Agencies								
	84.010	231530-2223	\$ 206,342	\$ -	\$ -	\$ 206,342	\$ 206,342	\$ -
Migrant Education State Program	84.011	231890-2223	27,470	-	-	27,470	27,470	-
Supporting Effective Instruction State Grants	84.367	230520-2223	49,756	-	-	49,756	49,756	-
Student Support and Academic Enrichment	84.424	230750-2223	14,240	-	-	14,240	14,240	-
Education Stabilization Fund								
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER I) - Formula	84.425D	213712-2021	610,248	-	-	610,248	610,248	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II Formula) - 98c	84.425D	213782-2223	130,321	-	-	130,321	104,257	26,064
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER III) - 11t	84.425U	213723-2122	1,519,929	-	-	1,122,778	916,320	206,458
Passed through Ottawa Area Intermediate School District								
COVID-19 Elementary and Secondary School Emergency Relief Fund (Education for Homeless Children and Youth - ARP)	84.425W	232320-2223 211020-2122	615 -	- 1,367	- 1,367	615 -	- 1,367	615 -
Total ALN 84.425			2,261,113	1,367	1,367	1,863,962	1,632,192	233,137

The accompanying notes are an integral part of this schedule.

**COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (Unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (Unearned) Revenue 6/30/2023
U.S. Department of Education (continued)								
Passed through Ottawa Area Intermediate School District								
Special Education Cluster								
Special Education Grants to States	84.027	221280-2122	\$ 151,510	\$ -	\$ -	\$ 151,510	\$ 140,560	\$ 10,950
Special Education Grants to States		230450-2223	699,454	-	-	699,454	594,632	114,822
Special Education Grants to States		220450-2122	319,442	319,442	660,105	-	319,442	-
Total ALN 84.027			1,170,406	319,442	660,105	850,964	1,044,634	125,772
Special Education Preschool Grants								
Special Education Preschool Grants	84.173	221285-2122	12,362	-	-	12,362	10,587	1,775
Special Education Preschool Grants		230460-2223	14,561	-	-	14,561	13,610	951
Special Education Preschool Grants		220460-2122	6,430	6,430	16,403	-	6,430	-
Total ALN 84.173			33,353	6,430	16,403	26,923	30,627	2,726
Total Special Education Cluster			1,203,759	325,872	676,508	877,887	1,075,261	128,498
English Language Acquisition State Grants								
English Language Acquisition State Grants	84.365	230580-2223	8,736	-	-	8,736	7,757	979
English Language Acquisition State Grants		220580-2122	1,655	1,655	8,611	-	1,655	-
Total ALN 84.365			10,391	1,655	8,611	8,736	9,412	979
Total U.S. Department of Education			3,773,071	328,894	686,486	3,048,393	3,014,673	362,614

The accompanying notes are an integral part of this schedule.

**COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (Unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (Unearned) Revenue 6/30/2023
U.S. Department of Health and Human Services								
Passed through Ottawa Area Intermediate School District								
Medical Assistance Program								
Medical Assistance Program	93.778	N/A	\$ 5,623	\$ -	\$ -	\$ 5,623	\$ 5,623	\$ -
Passed through Ottawa County Health Department								
MDHHS Health Resource Advocate (HRA) Funding	93.323	N/A	82,885	20,715	82,885	-	20,715	-
Passed through Michigan Department of Education								
MDHHS Health Resource Advocate (HRA) Funding	93.323	232810	112,000	-	-	112,000	112,000	-
Total ALN 93.323			194,885	20,715	82,885	112,000	132,715	-
Total U.S. Department of Health and Human Services			200,508	20,715	82,885	117,623	138,338	-
TOTAL FEDERAL AWARDS			\$ 6,257,263	\$ 403,063	\$ 2,065,405	\$ 4,184,793	\$ 4,194,116	\$ 393,740

The accompanying notes are an integral part of this schedule.

**COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Coopersville Area Public Schools under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Coopersville Area Public Schools, it is not intended to and does not present the financial position or changes in net position of Coopersville Area Public Schools.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. Coopersville Area Public Schools has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Management has utilized the Nexsys Cash Management System and the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards. The District does not pass-through federal awards.

NOTE 3 - RECONCILING WITH AUDITED FINANCIAL STATEMENTS

Federal expenditures are reported as revenue in the following funds in the financial statements for the period ending June 30, 2023:

General fund	\$ 3,819,885
Other nonmajor governmental funds	<u>1,018,777</u>
Total federal revenue in the fund financial statements	4,838,662
Less: Federal assistance funding not subject to single audit act	<u>(653,869)</u>
Expenditures per schedule of expenditures of federal awards	<u>\$ 4,184,793</u>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Education
Coopersville Area Public Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coopersville Area Public Schools as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Coopersville Area Public Schools' basic financial statements and have issued our report thereon dated October 12, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coopersville Area Public Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coopersville Area Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Coopersville Area Public Schools' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coopersville Area Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 12, 2023



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Coopersville Area Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coopersville Area Public Schools' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Coopersville Area Public Schools' major federal programs for the year ended June 30, 2023. Coopersville Area Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Coopersville Area Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Coopersville Area Public Schools and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Coopersville Area Public Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Coopersville Area Public Schools' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Coopersville Area Public Schools' compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Coopersville Area Public Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Coopersville Area Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Coopersville Area Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Coopersville Area Public Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

October 12, 2023

**COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings that are required to be reported in accordance with Title 2 CFR Section 200.516(a)?

Yes No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.027, 84.173 84.425	Special Education Cluster Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Question Costs

None

**COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

There were no audit findings required to be reported on this schedule in the prior year.



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

October 12, 2023

To the Board of Education of the
Coopersville Area Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coopersville Area Public Schools for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Coopersville Area Public Schools are described in Note 1 to the financial statements. As described in Note 12 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription-based IT Arrangements*, during the year ended June 30, 2023. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. We noted no transactions entered into by the Coopersville Area Public Schools during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements of the governmental activities were:

Estimates have been used to calculate the net pension liability and the net other postemployment benefit liability. We evaluated the key factors and assumptions used to develop the balance of the net pension liability and net other postemployment benefit liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate in calculating the liability for employee compensated absences. We evaluated the key factors and assumptions used to develop the balance of employee compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's determination of the estimated life span of the capital assets. We evaluated the key factors and assumptions used by management to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole. In addition, certain amounts included in capital assets have been estimated based on an outside appraisal company.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No misstatements were detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 12, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Coopersville Area Public Schools financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Coopersville Area Public Schools auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the management and members of the Board of Education of Coopersville Area Public Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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APPENDIX E



U.S. MAIL ADDRESS
P.O. Box 2575, EAST LANSING, MI 48826-2575
PHONE: (517) 484-8000 FAX: (517) 484-0041

ALL OTHER SHIPPING
2900 WEST ROAD, SUITE 400
EAST LANSING, MI 48823-6386

JEFFREY J. SOLES
ROY H. HENLEY
MICHAEL D. GRESENS
CHRISTOPHER J. IAMARINO
RAYMOND M. DAVIS
MICHELE R. EADDY

KIRK C. HERALD
ROBERT A. DIETZEL
KATHERINE WOLF BROADDUS
DANIEL R. MARTIN
JENNIFER K. STARLIN
TIMOTHY T. GARDNER, JR.

IAN F. KOFFLER
FREDRIC G. HEIDEMANN
RYAN J. NICHOLSON
CRISTINA T. PATZELT
PHILIP G. CLARK
PIOTR M. MATUSIAK

JESSICA E. McNAMARA
RYAN J. MURRAY
ERIN H. WALZ
MACKENZIE D. FLYNN
KATHRYN R. CHURCH
MARYJO D. BANASIK

CATHLEEN M. DOOLEY
AUSTIN M. DELANO
KELLY S. BOWMAN
GORDON W. VANWIENEN, JR. (OF COUNSEL)
LISA L. SWEM (OF COUNSEL)

DRAFT LEGAL OPINION

Coopersville Area Public Schools
Counties of Ottawa and Muskegon
State of Michigan

We have acted as bond counsel in connection with the issuance by Coopersville Area Public Schools, Counties of Ottawa and Muskegon, State of Michigan (the "Issuer"), of its bonds in the aggregate principal amount of \$19,715,000 designated 2024 School Building and Site Bonds, Series II (General Obligation - Unlimited Tax) (the "Bonds").

Table with 6 columns: Year, Amount, Rate, Year, Amount, Rate. Rows include years from 2026 to 2054 with corresponding amounts and rates.

The Bonds maturing on May 1, 2044, May 1, 2047, May 1, 2050 and May 1, 2054, are term Bonds subject to mandatory redemption in part, by lot, on the redemption dates and at the redemption price equal to the principal amount thereof as provided in the Bonds.

We have examined the documents which we deem authentic and pertinent to the validity of the Bonds, including the certified record evidencing the authorization of the Bonds by the electors and board of education of the Issuer, a copy of the approval of the Department of Treasury of the State of Michigan to issue the Bonds, a signed copy of the certificate of the Treasurer of the State of Michigan qualifying the Bonds for purposes of Article IX, Section 16, of the Michigan Constitution, and a specimen of the Bond certificates.

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

- (1) the Bonds have been lawfully authorized and issued and are enforceable obligations of the Issuer in accordance with their terms;
(2) the Bonds are the general obligation of the Issuer for which its full faith, credit and resources have been irrevocably pledged;



Coopersville Area Public Schools
Counties of Ottawa and Muskegon
State of Michigan

_____, 2024

Page 2

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

(4) the Bonds have been fully qualified pursuant to Act 92, Public Acts of Michigan, 2005, as amended, enacted pursuant to Article IX, Section 16, of the Michigan Constitution of 1963. Under the terms of said constitutional and statutory provisions, if for any reason the Issuer will be or is unable to pay the principal and interest on the Bonds when due, then the Issuer shall borrow, and the State of Michigan shall lend to it, an amount sufficient to enable the Issuer to make the payment;

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

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

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

THRUN LAW FIRM, P.C.

TLF/MDG

**FORM OF
CONTINUING DISCLOSURE AGREEMENT**

**\$19,715,000
COOPERSVILLE AREA PUBLIC SCHOOLS
COUNTIES OF OTTAWA AND MUSKEGON
STATE OF MICHIGAN
2024 SCHOOL BUILDING AND SITE BONDS, SERIES II
(GENERAL OBLIGATION - UNLIMITED TAX)**

This Continuing Disclosure Agreement (the “Agreement”) is executed and delivered by Coopersville Area Public Schools, Counties of Ottawa and Muskegon, State of Michigan (the “Issuer”), in connection with the issuance of its \$19,715,000 2024 School Building and Site Bonds, Series II (General Obligation - Unlimited Tax) (the “Bonds”). The Bonds are being issued pursuant to resolutions adopted by the Board of Education of the Issuer on June 17, 2024 and August 19, 2024 (together, the “Resolution”). The Issuer covenants and agrees as follows:

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

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

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

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

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

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

“Financial Obligation” shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b) provided; however, that a “Financial Obligation” shall not include any municipal security for which a final official statement has been provided to the MSRB consistent with the Rule.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board.

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

“Official Statement” shall mean the final Official Statement for the Bonds dated August 16, 2024.

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

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

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

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of Michigan.

SECTION 3. Provision of Annual Reports.

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, on or prior to the end of the sixth month after the end of the fiscal year of the Issuer commencing with the fiscal year ending June 30, 2024, to EMMA an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Agreement. Currently, the Issuer’s fiscal year ends on June 30. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Agreement; provided, however, that if the audited financial statements of the Issuer are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the financial statements contained in the Official Statement shall be included in the Annual Report.

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

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

(d) If the Issuer’s fiscal year changes, the Issuer shall send a notice of such change to the MSRB in substantially the form attached as Appendix B. If such change will result in the Issuer’s fiscal year ending on a date later than the ending date prior to such change, the Issuer shall provide notice of

such change to the MSRB on or prior to the deadline for filing the Annual Report in effect when the Issuer operated under its prior fiscal year. Such notice may be provided to the MSRB along with the Annual Report, provided that it is filed at or prior to the deadline described above.

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

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

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

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

SECTION 5. Reporting of Significant Events.

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) modifications to rights of security holders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer or other obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or other obligated person or the sale of all or substantially all of the assets of the Issuer or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or

- the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (15) incurrence of a Financial Obligation of the Issuer or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or other obligated person, any of which affect security holders, if material;
 - (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer or other obligated person, any of which reflect financial difficulties.

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

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

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

(e) The Issuer acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

SECTION 6. Termination of Reporting Obligation.

(a) The Issuer’s obligations under this Agreement shall terminate upon the legal defeasance of the Resolution or the prior redemption or payment in full of all of the Bonds.

(b) This Agreement, or any provision hereof, shall be null and void in the event that the Issuer (i) receives an opinion of nationally recognized bond counsel, addressed to the Issuer, to the effect that those portions of the Rule, which require such provisions of this Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB.

SECTION 7. Dissemination Agent. The Issuer, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may be amended, and any provision of this Agreement may be waived to the effect that:

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Issuer, or the types of business in which the Issuer is engaged;

(b) this Agreement as so amended or taking into account such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, in the opinion of independent legal counsel; and

(c) such amendment or waiver does not materially impair the interests of the Bondholders, in the opinion of independent legal counsel.

If the amendment or waiver results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Agreement, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. If the amendment or waiver involves a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared based on the new accounting principles and those prepared based on the former accounting principles. The comparison should include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles should be sent by the Issuer to the MSRB. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution or the Bonds, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with the Agreement shall be an action to compel performance.

SECTION 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the Bondholders and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

COOPERSVILLE AREA PUBLIC SCHOOLS
COUNTIES OF OTTAWA AND MUSKEGON
STATE OF MICHIGAN

By: _____
Its: Superintendent

Dated: September 10, 2024



APPENDIX A

NOTICE TO THE MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Coopersville Area Public Schools, Ottawa and Muskegon Counties,
Michigan

Name of Bond Issue: 2024 School Building and Site Bonds, Series II (General
Obligation - Unlimited Tax)

Date of Bonds: September 10, 2024

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of its Continuing Disclosure Agreement with respect to the Bonds. The Issuer anticipates that the Annual Report will be filed by _____.

COOPERSVILLE AREA PUBLIC SCHOOLS
COUNTIES OF OTTAWA AND MUSKEGON
STATE OF MICHIGAN

By: _____
Its: Superintendent

Dated: _____



APPENDIX B

NOTICE TO THE MSRB OF CHANGE IN ISSUER'S FISCAL YEAR

Name of Issuer: Coopersville Area Public Schools, Ottawa and Muskegon Counties,
Michigan

Name of Bond Issue: 2024 School Building and Site Bonds, Series II (General
Obligation - Unlimited Tax)

Date of Bonds: September 10, 2024

NOTICE IS HEREBY GIVEN that the Issuer's fiscal year has changed. Previously, the Issuer's fiscal year ended on _____. It now ends on _____.

COOPERSVILLE AREA PUBLIC SCHOOLS
COUNTIES OF OTTAWA AND MUSKEGON
STATE OF MICHIGAN

By: _____
Its: Superintendent

Dated: _____



APPENDIX C

SIGNIFICANT EVENT NOTICE COVER SHEET

This cover sheet and significant event notice should be provided in an electronic format to the Municipal Securities Rulemaking Board pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or other Obligated Person's Name: _____

Issuer's Six-Digit CUSIP Number(s): _____

or Nine-Digit CUSIP Number(s) to which this significant event notice relates: _____

Number of pages of attached significant event notice: _____

Description of Significant Events Notice (Check One):

1. _____ Principal and interest payment delinquencies
2. _____ Non-payment related defaults
3. _____ Unscheduled draws on debt service reserves reflecting financial difficulties
4. _____ Unscheduled draws on credit enhancements reflecting financial difficulties
5. _____ Substitution of credit or liquidity providers, or their failure to perform
6. _____ Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. _____ Modifications to rights of security holders
8. _____ Bond calls
9. _____ Tender offers
10. _____ Defeasances
11. _____ Release, substitution, or sale of property securing repayment of the securities
12. _____ Rating changes
13. _____ Bankruptcy, insolvency, receivership or similar event of the Issuer or other obligated person
14. _____ The consummation of a merger, consolidation, or acquisition involving the Issuer or other obligated person or the sale of all or substantially all of the assets of the Issuer or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms
15. _____ Appointment of a successor or additional trustee or the change of name of a trustee
16. _____ Incurrence of a financial obligation of the Issuer or other obligated person
17. _____ Agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation that affect security holders
18. _____ Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer or other obligated person that reflect financial difficulties
19. _____ Other significant event notice (specify) _____

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Employer: _____

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: (_____) _____

The MSRB Gateway is www.msrb.org or through the EMMA portal at emma.msrb.org/submission/Submission_Portal.aspx. Contact the MSRB at (703) 797-6600 with questions regarding this form or the dissemination of this notice. The cover sheet and notice may also be faxed to the MAC at (313) 963-0943.



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