

**Village of Cass City  
Cass City, Michigan**

**Report on Financial Statements  
(with required supplementary and  
additional supplementary information)  
Year Ended December 31, 2018**



**ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.**  
Certified Public Accountants

[www.atbdcpa.com](http://www.atbdcpa.com)

**Village of Cass City**  
**Additional Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2018**

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Water Recreation	Economic Development Corporation	Downtown Development Authority	
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 29,843	\$ 29,843
Local contributions	213,450	-	-	213,450
Interest income	635	301	361	1,297
Rental income	-	-	14,500	14,500
Other revenue	-	-	3,819	3,819
	<u>214,085</u>	<u>301</u>	<u>48,523</u>	<u>262,909</u>
<b>Expenditures</b>				
Current				
Community and economic development	-	-	28,576	28,576
Recreation and culture	47,000	-	-	47,000
Debt service				
Principal retirement	-	-	130,091	130,091
Interest and fiscal charges	-	-	7,211	7,211
	<u>47,000</u>	<u>-</u>	<u>165,878</u>	<u>212,878</u>
Total expenditures	<u>47,000</u>	<u>-</u>	<u>165,878</u>	<u>212,878</u>
Excess (deficiency) of revenues over expenditures	<u>167,085</u>	<u>301</u>	<u>(117,355)</u>	<u>50,031</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	10,300	10,300
Sale of fixed assets	-	-	30,000	30,000
Bond/note proceeds	-	-	121,500	121,500
	<u>-</u>	<u>-</u>	<u>161,800</u>	<u>161,800</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>161,800</u>	<u>161,800</u>
Net change in fund balance	167,085	301	44,445	211,831
Fund balance - beginning of year	-	22,731	22,066	44,797
Fund balance - end of year	<u>\$ 167,085</u>	<u>\$ 23,032</u>	<u>\$ 66,511</u>	<u>\$ 256,628</u>

**Village of Cass City  
Additional Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018**

	Special Revenue Funds			Total
	Water Recreation	Economic Development Corporation	Downtown Development Authority	Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 161,337	\$ 22,961	\$ 42,143	\$ 226,441
Receivables				
Customers	-	-	25,020	25,020
Accrued interest and other	-	71	129	200
Prepaid items	30,748	-	-	30,748
 Total assets	\$ 192,085 ✓	\$ 23,032 ✓	\$ 67,292 ✓	\$ 282,409
 <b>Liabilities</b>				
Accrued and other liabilities	\$ -	\$ -	\$ 131	\$ 131
Unearned revenue	25,000 ✓	-	650	25,650
 Total liabilities	25,000	-	781 ✓	25,781
 <b>Fund balances</b>				
Nonspendable:				
Prepaid items	30,748	-	-	30,748
Restricted for:				
DDA captured taxes	-	-	66,511	66,511
Assigned to:				
EDC	-	23,032	-	23,032
Subsequent year expenditures	136,337	-	-	136,337
 Total fund balances	167,085 ✓	23,032 ✓	66,511 ✓	256,628
 Total liabilities and fund balances	\$ 192,085 ✓	\$ 23,032 ✓	\$ 67,292 ✓	\$ 282,409



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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

Management and Village Council  
Village of Cass City  
Cass City, MI 48726

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Cass City, State of Michigan, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Village of Cass City's, State of Michigan, basic financial statements and have issued our report thereon dated May 14, 2019.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Cass City's, State of Michigan, internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Cass City's, State of Michigan, internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Cass City's, State of Michigan, 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 over financial reporting 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 may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Cass City's, State of Michigan, 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 that are required to be reported under *Government Auditing Standards*.

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**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 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.

*Anderson, Tuckey, Bernhardt & Doran, P.C.*

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
CARO, MICHIGAN

May 14, 2019