



CASEVILLE PUBLIC SCHOOL

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CASEVILLE PUBLIC SCHOOLS

Huron County, Michigan

FINANCIAL REPORT

WITH SUPPLEMENTAL INFORMATION

June 30, 2020

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INDEPENDENT AUDITORS' REPORT

To The Board of Education
Caseville Public Schools
Caseville, Michigan 48725

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caseville Public Schools, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Caseville Public Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Caseville Public Schools, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the pension schedules, and the OPEB schedules on pages 4-12 and 42-49, be presented to supplement the basic financial statements. Such information, 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.

Prior year information

The financial statements contain summarized total information as of and for the year ended June 30, 2019. The prior year information was obtained from the audited financial statements of the prior year and is consistent, in all material respects, with the audited financial statements from which it was derived.

Other Information

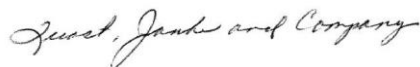
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Caseville Public Schools' basic financial statements. The nonmajor governmental schedule of revenues, expenses and changes in fund balance, the general fund detail of expenditures, the fiduciary fund schedule and the indebtedness schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The nonmajor governmental schedule of revenues, expenses and changes in fund balance, the general fund detail of expenditures, the fiduciary fund schedule and the indebtedness schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2020, on our consideration of Caseville 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 Caseville Public School's 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 Caseville Public Schools' internal control over financial reporting and compliance.

QUAST, JANKE AND COMPANY



Certified Public Accountants, P.C
Bay City, MI 48708
November 5, 2020

CASEVILLE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

This section of Caseville Public Schools' annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2020. Please read it in conjunction with the School District's financial statements, which immediately follows this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Caseville Public Schools financially as a whole. The District-wide Financial Statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds – the General Fund, the 2012 Debt Retirement Fund and the Student Activity Fund. The remaining statement, the statement of fiduciary net position, presents financial information about Trust funds for which the School District acts solely as an agent to receive and distribute the scholarships.

Management's Discussion and Analysis (MD&A)
(Required Supplemental Information)

Basic Financial Statements

District-wide Financial Statements Fund Financial Statements

Notes to the Basic Financial Statements

Required Supplemental Information

Budgetary Information for the General Fund

Schedule of Reporting Units Contributions and Liability

Notes to the Required Supplementary Information

Other Supplemental Information

CASEVILLE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Reporting the School District as a Whole

District-wide Financial Statements

One of the most important questions asked about the School District is, “As a whole, what is the School District’s financial condition as a result of the year’s activities?” The statement of net position and the statement of activities, which appear first in the School District’s financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District’s net position – the difference between assets and liabilities, as reported in the statement of net position – as one way to measure the School District’s financial health or financial position. Over time, increases or decreases in the School District’s net position – as reported in the statement of activities – are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School District’s operating results. However, the School District’s goal is to provide services to their students, not to generate profits as commercial entities strive to do. One must consider many other nonfinancial factors, such as the quality of the education provided to students and the safety of the schools, to assess the overall health of the School District.

The statements of net position and statement of activities report the governmental activities for the School District, which encompass all of the School District’s services, including instruction, supporting services, athletics, and food services. Property taxes, unrestricted State Aid (foundation allowance revenue), and State and Federal grants finance most of these activities.

CASEVILLE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Reporting the School District's Most Significant Funds

Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds – not the School District as a whole. Some funds are required to be established by State law or by bond covenants. Other funds are established to help the School District control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other sources of revenue. The School District's two types of funds, governmental and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

Governmental funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine what financial resources are readily available to spend in the near future to finance the School District's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the basic financial statements.

Fiduciary Funds

The School District is the trustee, or fiduciary, for its trust fund which are scholarship funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. We exclude this activity from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

CASEVILLE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

District-wide Financial Analysis

The statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position as of June 30, 2020 and 2019:

Table 1

	Governmental Activities	
	June 30, 2020	June 30, 2019
Assets:		
Current and other assets	\$ 1,058,043	\$ 943,945
Capital assets - net of accumulated depreciation	6,019,831	6,239,134
 Total Assets	 7,077,874	 7,183,078
Deferred outflows of resources	1,822,598	1,905,762
Liabilities:		
Current Liabilities	684,370	646,484
Long-term liabilities	11,531,437	11,549,736
 Total liabilities	 12,215,807	 12,196,220
Deferred inflows of resources	887,990	847,221
Net Position:		
Net investment in capital assets	390,541	347,212
Restricted - Debt service	127,374	130,969
Restricted - Food service	66,903	54,694
Unrestricted	(4,788,143)	(4,487,476)
 Net Position	 \$ (4,203,325)	 \$ (3,954,601)

The above analysis focuses on the net position (see Table 1). The School District's net position was \$(4,203,325) at June 30, 2020. Net investment in capital assets totaling \$390,541 compares original cost less depreciation of the School District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraint from debt requirements and legislation that limit the School District's ability to use that net position for day-to-day operations.

**CASEVILLE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020**

The results of this year's operations for the School District as a whole are reported in the statement of activities (see Table 2), which shows the changes in net position for fiscal years 2020 and 2019.

Table 2

	Governmental Activities	
	Year Ended June 30,	
	2020	2019
Revenue:		
Program revenue:		
Charges for services	\$ 124,345	\$ 33,654
Grants and categorical	1,013,205	978,619
General revenue:		
Property taxes	2,347,401	2,353,042
Donations	8,912	18,626
State unrestricted	139,021	160,703
Investment earnings	20,998	22,292
Sale of assets	2,500	-
Other	5,979	3,607
Rounding	1	(4)
Total Revenue	3,662,360	3,570,539
Function/Program Expenses:		
Instruction	2,193,507	2,105,877
Support services	1,179,703	1,114,838
Food services	150,018	157,488
Interest on long-term debt	187,107	197,010
Depreciation (unallocated)	286,518	285,599
Total Expenses	3,996,853	3,860,812
Increase (Decrease) in Net Position	\$ (334,493)	\$ (290,273)

As reported in the statement of activities, the cost of all of our governmental activities this year was \$3,996,853. Certain activities were partially funded from those who benefited from the program or by other governments and organizations that subsidized certain programs with grants and categoricals of \$1,013,205. We paid for the remaining "public benefit" portion of our governmental activities with \$2,347,401 in taxes, \$139,021 in state foundation allowance, and with our other revenues, such as interest and general entitlements.

CASEVILLE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

The School District experienced a decrease in net position of \$334,493. A key reason for the change in net position was an increase in expenses. The decrease in net position differs from the change in fund balance and the reconciliation appears on page 18.

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted State aid constitute the vast majority of School District operating revenue sources, the Board of Education and Administration must annually evaluate the needs of the School District and balance those needs with State-prescribed available unrestricted resources.

The School District's Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$742,633, which is an increase of \$13,199 from last year. The primary reason for this increase was an increase in revenues.

The General Fund balance available to fund general operational costs for instruction, administrative and support services decreased \$32,355 to end the year at \$425,646. This can be attributed to slightly increased expenditures.

The Food Service Fund Balance increased by \$12,209, this is due to an increase in revenue and decrease in expenses.

The Debt Service Fund Balance decreased by \$3,596, this is due to an increase in debt principal expense.

The Student Activity fund balance increased by \$36,942, this is due to fundraising completed in the current year with expenditures anticipated for future years.

**CASEVILLE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020**

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements. Changes to the General Fund original budget were as follows:

Budgeted revenues were increased from the original budget by \$297,401. This was due to an increase in State Aid Categoricals that were unknown at the time of original budget and more tax revenue collected.

Budgeted expenditures increased from the original budget by \$80,230. This was due to an increase in the allocation for the increase in State Aid Categoricals.

Actual revenues were \$55,799 less than the final budget. This difference is due to the SAF Shortfall recaptured by that State on the August State Ide payment.

Actual expenditures were \$1,404 less than the final budget. This was due to a concerted effort to stay at or under budget.

Capital Assets

At June 30, 2020, the School District had \$13,937,186 invested in a broad range of capital assets, including land, buildings, vehicles, and equipment. This amount represents a net decrease (including additions and disposals) of \$11,585.

	2020	2019
Land	\$ 97,923	\$ 97,923
Construction in progress	-	-
Buildings and improvements	11,779,570	11,779,570
Buses and other vehicles	476,143	487,728
Equipment	1,583,550	1,583,550
Total Capital Assets	13,937,186	13,948,771
Less Accumulated Depreciation	7,917,355	7,709,637
Net Capital Assets	<u>\$ 6,019,831</u>	<u>\$ 6,239,134</u>

**CASEVILLE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020**

There was a bus addition in the current year for \$67,215. This year's disposal of \$78,800 was for a bus.

Debt

At the end of this year, the School District had \$5,599,489 in long-term debt outstanding versus \$6,164,228 in the previous year. The debt was made up of only the one general obligation bond and a qualified zone academy bond.

	2020	2019
2012 GO Bonds	\$ 5,475,000	\$ 5,955,000
Qualified zone academy bonds	70,717	209,228
Capital Lease - Bus	53,772	-
	\$ 5,599,489	\$ 6,164,228

The School District's General Obligation Bond rating continues to be equivalent to the State's credit rating. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this limit. The School District's outstanding unqualified general obligation debt of \$5,475,000 is significantly below the statutorily imposed limit.

CASEVILLE PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2020 fiscal year budget. One of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2020 fiscal year is 90 percent and 10 percent of the October 2019 and February 2020 student counts, respectively. The 2020 fiscal year budget was adopted in June 2019, based on an estimate of students that will be enrolled in October of 2019. Approximately 22 percent of total General Fund revenues are from the unrestricted state aid. Under State law, the School District cannot access additional property tax revenue for general operations. As a result, School District funding is in part dependent on the State's ability to fund local school operation. Based on early enrollment data at the start of the 2020-2021 school year, we anticipate that the fall student count to be comparable to the estimates used in creating the 2021 fiscal year budget. The State is also still providing guidance related to the new "Super Blend" calculation that will help hold Districts harmless for excessive student loss related to the Coronavirus pandemic. Once the final student count and related per pupil funding is validated, State law requires the School District to amend the budget if actual School District resources are not sufficient to fund original appropriations.

Since the School District relies on revenue from State funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts. The State periodically holds a revenue-estimating conference to estimate revenues. Based on the results of the most recent conference, as well as a signed State Budget, the per pupil foundation allowance will be at \$8,249 per student for the 2020-2021 school year.

Contacting the School District's Financial Management

This financial report is designed to provide the School District's citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Manager at Caseville Public Schools, 6609 Vine Street, Caseville, MI 48725.

CASEVILLE PUBLIC SCHOOLS
STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS:		
Cash & equivalents	\$ 889,400	\$ 716,139
Accounts receivable	318	1,474
Grants receivable	4,427	60,146
Due from other governmental units	163,897	166,185
Prepaid items	-	-
Investments	-	-
Inventories	-	-
Capital assets	13,937,186	13,948,771
Accumulated depreciation	(7,917,355)	(7,709,637)
Total Assets	7,077,874	7,183,078
DEFERRED OUTFLOWS OF RESOURCES:		
Related to pensions	1,483,100	1,672,473
Related to OPEB	339,498	233,289
Total Deferred Outflows of Resources	1,822,598	1,905,762
LIABILITIES:		
Current Liabilities		
Accounts payable	31,498	37,927
Accrued payroll and other liabilities	251,777	247,719
Accrued interest	29,800	31,433
Unearned revenue	32,135	14,634
Current portion of long term liabilities	339,160	314,771
Total Current Liabilities	684,370	646,484
Long-term Liabilities		
Net OPEB liability	1,101,901	1,256,204
Net pension liability	5,169,206	4,747,814
Non current portion of long term liabilities	5,260,330	5,545,718
Total Long-term Liabilities	11,531,437	11,549,736
Total Liabilities	12,215,807	12,196,220
DEFERRED INFLOWS OF RESOURCES:		
Related to pensions	429,985	564,742
Related to OPEB	458,005	282,479
Total Deferred Inflows of Resources	887,990	847,221
NET POSITION:		
Investment in capital assets - net of related debt	390,541	347,212
Restricted for debt service	127,374	130,969
Restricted for food service	66,903	54,694
Unrestricted (deficit)	(4,788,143)	(4,487,476)
Total Net Position (deficit)	\$ (4,203,325)	\$ (3,954,601)

The accompanying notes are an integral part of the financial statements.

CASEVILLE PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020 With Comparative Totals for 2019

	Expenses	Program Revenues		Governmental Activities		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Net (Expenses) Revenues And Changes in Net Position 2020	2019
GOVERNMENTAL ACTIVITIES:						
Instruction	\$ 2,193,507	\$ -	\$ 809,165	\$ -	\$ (1,384,342)	\$ (1,448,329)
Supporting services	1,179,703	111,660	49,147	-	(1,018,896)	(951,164)
Food services	150,018	12,685	154,892	-	17,559	33,562
Interest on long term debt	187,107	-	-	-	(187,107)	(197,010)
Depreciation (unallocated)	286,518	-	-	-	(286,518)	(285,599)
Total Governmental Activities	<u>\$ 3,996,853</u>	<u>\$ 124,345</u>	<u>\$ 1,013,205</u>	<u>\$ -</u>	(2,859,304)	(2,848,540)
GENERAL PURPOSE REVENUES:						
Property taxes, levied for operating purposes					1,918,436	1,918,311
Property taxes, levied for debt retirement					428,964	434,731
State school aid - unrestricted					139,021	160,703
Donations					8,912	18,626
Investment earnings					20,998	22,292
Other					5,979	3,607
Sale of assets					2,500	-
Rounding					1	(3)
Total General Purpose Revenues					<u>2,524,811</u>	<u>2,558,266</u>
Change in net position					(334,493)	(290,273)
Net Position (deficit) - Beginning of Year					(3,954,601)	(3,664,328)
Prior Period Adjustment - GASB 84					85,769	-
Net Position - Beginning of Year, as Adjusted					<u>(3,868,832)</u>	<u>(3,664,328)</u>
Net Position (deficit) - End of Year					<u>\$ (4,203,325)</u>	<u>\$ (3,954,601)</u>

The accompanying notes are an integral part of the financial statements.

CASEVILLE PUBLIC SCHOOLS
GOVERNMENTAL FUNDS BALANCE SHEET
June 30, 2020 With Comparative Totals at June 30, 2019

	MAJOR FUNDS			NON MAJOR	TOTALS JUNE 30,	
	GENERAL	2012	STUDENT	FUND	2019	2018
		DEBT		FOOD		
		RETIREMENT	ACTIVITY	SERVICE		
ASSETS:						
Cash	\$ 572,359	\$ 127,374	\$ 122,711	\$ 66,956	\$ 889,400	\$ 716,139
Accounts receivable	318	-	-	-	318	1,474
Grants receivable	4,427	-	-	-	4,427	60,146
Due from ISD	85,607	-	-	-	85,607	58,958
Due from State of Michigan	77,490	-	-	800	78,290	107,228
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	\$ 740,202	\$ 127,374	\$ 122,711	\$ 67,756	\$ 1,058,043	\$ 943,945
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
Accounts payable	\$ 31,498	\$ -	\$ -	\$ -	\$ 31,498	\$ 37,927
Salaries & benefits payable	249,573	-	-	-	249,573	245,221
Payroll withholdings	1,351	-	-	854	2,204	2,498
Due to other funds	-	-	-	-	-	-
Unearned revenue	32,135	-	-	-	32,135	14,634
Total Liabilities	314,556	-	-	854	315,410	300,280
FUND BALANCES:						
Nonspendable	-	-	-	-	-	-
Restricted	-	127,374	-	66,903	194,276	185,663
Assigned	-	-	-	-	-	-
Committed	-	-	122,711	-	122,711	-
Unassigned	425,646	-	-	-	425,646	458,001
Total Fund Balances	425,646	127,374	122,711	66,903	742,633	643,665
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 740,202	\$ 127,374	\$ 122,711	\$ 67,756	\$ 1,058,043	\$ 943,945

The accompanying notes are an integral part of the financial statements.

CASEVILLE PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET POSITION
June 30, 2020

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 742,633

Amounts reported for governmental activities in the statement of net position are different because -

Capital assets used in governmental activities are not financial resources and are not reported in the funds:

Capital assets at cost	13,937,186
Accumulated depreciation	(7,917,355)

Deferred outflows of resources are not reported in the governmental funds:

Related to pensions	1,483,100
Related to OPEB	339,498

Long term liabilities not due and payable in the current period and therefore not reported in the funds:

2012 GO bonds payable	(5,475,000)
QZAB Bonds	(70,717)
Capital lease	(53,772)
Net OPEB liability	(1,101,901)
Net pension liability	(5,169,206)

Deferred inflows of resources are not reported in the governmental funds:

Related to pensions	(429,985)
Related to OPEB	(458,005)

Accrued interest payable not included as a liability in the funds	(29,800)
---	----------

Rounding	-
----------	---

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ (4,203,325)
--	----------------

The accompanying notes are an integral part of the financial statements.

CASEVILLE PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
Years Ended June 30, 2020 With Comparative Totals at June 30, 2019

	MAJOR FUNDS			NON MAJOR FUND	TOTALS JUNE 30,	
	GENERAL	2012 DEBT RETIREMENT	STUDENT ACTIVITY	FOOD SERVICE	2020	2019
REVENUES:						
Local sources	\$ 1,971,922	\$ 430,144	\$ 92,883	\$ 12,085	\$ 2,507,034	\$ 2,431,220
State sources	641,672	-	-	4,839	646,510	645,849
Federal sources	131,289	-	-	150,054	281,343	241,996
Interdistrict and other sources	224,372	-	-	-	224,372	251,476
Total Revenues	2,969,254	430,144	92,883	166,977	3,659,259	3,570,541
EXPENDITURES:						
Instruction	1,939,343	-	-	-	1,939,343	1,937,524
Supporting services	1,000,347	-	55,941	-	1,056,288	1,024,187
Food service	-	-	-	150,018	150,018	157,488
Debt service -						
Principal	-	245,000	-	-	245,000	235,000
Interest and fees	-	188,740	-	-	188,740	198,215
Taxes charged back	-	-	-	-	-	362
Capital outlay	-	-	-	-	-	47,033
Total Expenditures	2,939,690	433,740	55,941	150,018	3,579,389	3,599,809
OTHER FINANCING SOURCES (USES):						
Operating transfer in	-	-	-	-	-	-
Operating transfer (out)	-	-	-	-	-	-
Sale of assets	2,500	-	-	600	3,100	-
Indirect cost	5,351	-	-	(5,351)	-	-
Principal payments	(69,771)	-	-	-	(69,771)	(68,740)
Interest	-	-	-	-	-	-
Net other financing sources (uses)	(61,920)	-	-	(4,751)	(66,671)	(68,740)
NET CHANGE IN FUND BALANCES	(32,355)	(3,596)	36,942	12,209	13,199	(98,008)
FUND BALANCE - BEGINNING OF YEAR	458,001	130,969	-	54,694	643,664	741,673
PRIOR PERIOD ADJUSTMENT - GASB 84	-	-	85,769	-	85,769	-
FUND BALANCE - BEGINNING OF YEAR, AS ADJUSTED	458,001	130,969	85,769	54,694	729,433	741,673
FUND BALANCE - END OF YEAR	\$ 425,646	\$ 127,373	\$ 122,711	\$ 66,903	\$ 742,633	\$ 643,665

The accompanying notes are an integral part of the financial statements.

CASEVILLE PUBLIC SCHOOLS
 GOVERNMENTAL FUNDS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO
 THE STATEMENT OF ACTIVITIES
 June 30, 2020

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 13,199

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:

Depreciation expense	\$ (286,518)	
Capital outlay	-	
Net		(286,518)

Accrued interest recorded in the statement of activities when incurred and reported in governmental funds when paid 1,633

Bond principal repayment reported as an expenditure in governmental funds and as a reduction of long term debt in the statement of net position 245,000

Change in net pension liability and related deferred amounts (476,008)

Change in net OPEB liability and related deferred amounts 84,986

QZAB debt payments 69,771

Capital lease payments 13,443

Rounding -

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (334,493)

The accompanying notes are an integral part of the financial statements.

CASEVILLE PUBLIC SCHOOLS
 FIDUCIARY FUND
 STATEMENT OF FIDUCIARY NET POSITION
 Years Ended June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash in bank	\$ 30,230	\$ 119,305
Investments	-	-
	\$ 30,230	\$ 119,305
LIABILITIES		
Accounts payable	\$ -	\$ -
Due to school organizations	-	85,769
Due to scholarship funds	30,230	33,535
	\$ 30,230	\$ 119,305

The accompanying notes are an integral part of the financial statements.

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Caseville Public Schools conform to United States generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Government Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's government-wide activities are considered governmental activities.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

District-wide Statements

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

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

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

Fund-based Statements

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within approximately 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.

Property taxes, unrestricted state aid, intergovernmental grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

Fiduciary Fund statements are also reported using the economic resources measurement focus and the modified accrual basis of accounting.

The School District reports the following major governmental funds:

General Fund

The General Fund is used to record the general operations of the School District pertaining to education and those operations not provided for in other funds. Included are all transactions related to the approved current operating budget.

Debt Retirement Fund

The Debt Retirement Funds are used to account for the accumulation of financial resources for the payment of principal, interest and related costs of the bonds paid primarily by taxes levied on taxpayers residing within the School District. The fund balance of the Debt Retirement Funds are reserved to signify the amounts restricted exclusively for debt service requirements.

Student Activity Fund

The Student Activity Fund is a special revenue fund which accounts for revenues and expenditures related to student groups and related school purposes.

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

The School District additionally reports the following fund types:

Special Revenue Fund

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Food Service Fund is a special revenue fund used by the School District to account for the revenues and expenditures of furnishing breakfast and lunch to the pupils in the School District. Any operating deficits generated by this activity are the responsibility of the General Fund.

Fiduciary Fund

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for others. The District presently maintains a trust fund to record the transactions related to scholarships donations and distributions. Fiduciary funds are not included in the government-wide statements.

Assets, Liabilities, and Net Position or Equity -

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables

In general, outstanding balances between funds are reported as “due to/from other funds”. Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to/from other funds”.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both district-wide and fund financial statements.

Capital Assets

Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an individual cost of more than \$5,000 and any assets susceptible to theft. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have any infrastructure-type assets.

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

Buildings and additions	20-50 years
Buses and other vehicles	5-10 years
Furniture and other equipment	3-10 years

Compensated Absences

The School District policy does not provide for payments of unused sick or vacation pay, therefore no provision has been recorded.

Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. 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.

Postemployment Benefits Other Than Pensions

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. 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 and Inflows of Resources

In addition to assets, the statement of financial 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 and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School District has four items that qualify for reporting in this category. They relate to the School District's net pension plan and OPEB liabilities and are composed from the changes in assumptions, changes in proportion and differences between the School District's contributions and proportionate share of contributions, differences between actual and expected experience, and the School District's contributions subsequent to the measurement date.

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The School District has four of these items, which arises from the School District's net pension plan liability and net OPEB liability. It is composed of the School District's share of the net difference between projected and actual earnings on pension plan investments, differences between actual and expected experience, changes in proportion and differences between the School District's contributions and proportionate share of contributions, and the School District's contributions subsequent to the measurement date.

Net Position/Fund Balance

In the government-wide, the funds report the following components of net position:

Unrestricted – Net position that is not subject to externally imposed restrictions.

Net investment in capital assets – Capital assets, accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted – Nonexpendable - Net position subject to externally imposed constraints that it be maintained permanently by the School District.

Restricted – Expendable – Net position whose use by the School District is subject to externally imposed constraints that can be fulfilled by actions of the School District pursuant to those constraints or that expire by the passage of time.

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources in governmental funds. Under this standard, the fund balance classifications are comprised of the following:

Non-spendable – amounts that are not in a spendable form such as inventory.

Restricted – amounts constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation.

Committed – amounts constrained to specific purposes by a government itself.

Assigned – amounts a government intends to use for a specific purpose.

Unassigned – amounts that are available for any purpose, positive amounts are only reported in general fund.

Net Position Flow Assumption

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

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Fund Balance Flow Assumption

Sometimes a government will fund outlays for a particular purpose from both restricted and unrestricted resources (including committed and assigned). 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 resources are considered to be applied. It is the School 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.

Program and General Revenue

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 for 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 program revenues.

Property Taxes

Property taxes are assessed as of December 31 each year and attach as an enforceable lien on property as of the following July 1. School property taxes are levied on July 1 each year, based on the previous year's assessment, by various municipalities whose boundaries include property within the District, and are due by September 14. Delinquent real taxes are advanced to the District by the Counties involved. Taxes are recorded as revenue in the year levied. Taxes receivable are recorded for property taxes collected within 60 days of year-end, if any.

For the year ended June 30, 2020, the School District levied the following amounts per \$1,000 of assessed valuation:

<u>Fund</u>	<u>Mills</u>
General Fund:	
Non-Principal Resident Exemption (PRE)	14.760
Commercial Personal Property	6.000
2012 Debt Retirement Fund:	
PRE, Non-PRE, Industrial Personal Property	1.950

Use of Estimates

The process of preparing the basic financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures. 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.

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Change in Accounting Principle

Effective July 1, 2019, the District adopted the provisions of GASB statement No. 84, *Fiduciary Activities*. As a result, the District has eliminated the statement of fiduciary net position and schedule of due to organizations. The District has identified activities in which they hold the assets and have the ability to direct the use, exchange, or employment of those assets. These activities are now reported in a special revenue fund and included in the financial statement of the District's governmental activities.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and State law for the General, Debt Service, and Special Revenue Funds. The presentation of the budget information and the basic financial statements is consistent except that capital outlay is presented within the functional categories in the budget and the General Fund budget is presented with the original and amended budget adopted. All annual appropriations lapse at fiscal year end. The District does not utilize encumbrance accounting.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits school districts to amend their budgets during the year. The budget was amended during the year in a legally permissible manner.

Excess of Expenditures over Appropriations in Budgeted Funds - The School District did not have significant expenditure budget variances.

Fund Deficits - The School District had no accumulated fund balance deficits.

NOTE 3. CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS

The School District's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

As of June 30, 2020, the book value of the District's demand deposits, consisting of deposits and their cash equivalents, was \$889,400 with a corresponding bank balance of \$945,850. As of June 30, 2020, the District's cash balance was not subject to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level be used for the School District's deposits for custodial credit risk.

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Custodial Credit Risk of Investments

Custodial risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The School District's policy for custodial risk states that custodial credit will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. The School District does not have investments with custodial risk.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities, other than commercial paper, which can only be purchased with a 270-day maturity. The School District's policy minimizes interest rate risk by requiring the structuring of 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; 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 School District's cash requirements.

Foreign Currency Risk

The School District is not allowed by State statute to invest in foreign investments and accordingly has no foreign investments.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District's policy does not further limit its investment choices.

Concentration of Credit Risk

The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

At year end, the School District's deposits were reported in the basic financial statements in the following categories:

	Governmental <u>Activities</u>	Fiduciary <u>Funds</u>	Total Primary <u>Government</u>
Cash and cash equivalents	\$ 889,400	\$ 30,230	\$ 919,630

NOTE 4. CAPITAL ASSETS

Capital asset activity of the School District's governmental activities was as follows:

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
Capital assets not being depreciated				
Land	\$ 97,923	\$ -	\$ -	\$ 97,923
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	97,923	-	-	97,923
Capital assets being depreciated				
Buildings and improvements	11,779,570	-	-	11,779,570
Buses and other vehicles	487,728	67,215	(78,801)	476,143
Furniture and equipment	<u>1,583,550</u>	<u>-</u>	<u>-</u>	<u>1,583,550</u>
Total Capital Assets	13,948,771	67,215	(78,801)	13,937,186
Accumulated depreciation:				
Land improvements	-	-	-	-
Buildings and improvements	5,909,674	207,643	-	6,117,317
Buses and other vehicles	348,411	38,674	(78,801)	308,284
Furniture and equipment	<u>1,451,552</u>	<u>40,202</u>	<u>-</u>	<u>1,491,754</u>
Total accumulated depreciation	<u>7,709,637</u>	<u>286,518</u>	<u>(78,801)</u>	<u>7,917,355</u>
Net Capital Assets	<u>\$ 6,239,134</u>	<u>\$ (219,303)</u>	<u>\$ -</u>	<u>\$ 6,019,831</u>

Depreciation expense was charged to activities of the School District as follows:

Government Activities:

Unallocated	<u>\$ 286,518</u>
Total Governmental Activities	<u>\$ 286,518</u>

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

There were no interfund balances as of June 30, 2020.

The detail for interfund transfers is as follows:

Governmental Funds	Interfund Transfer	Interfund Transfer In
Food service fund	\$ 5,351	\$ -
General fund	-	5,351
	\$ 5,351	\$ 5,351

The food service fund transfer to general fund was done to account for indirect costs.

NOTE 6. LONG-TERM DEBT

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General Obligation Bonds are direct obligations and pledge the full faith and credit of the School District.

The Bonds are fully qualified for 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 these constitutional and statutory provisions, if for any reason the District is unable to pay principal and interest on the Bonds when due, then the District shall borrow, and the State of Michigan shall lend to it, an amount sufficient to enable the District to make payment.

The following is a summary of the long-term debt transactions of the School District for the year ended June 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
2005 QZAB	\$ 140,488	\$ -	\$ (69,771)	\$ 70,717	\$ 70,717
2012 Building and site	5,720,000	-	(245,000)	5,475,000	255,000
Capital Lease - Bus	-	67,215	(13,443)	53,772	13,443
Total long-term obligations	\$ 5,860,488	\$ 67,215	\$ (328,214)	\$ 5,599,489	\$ 339,160

CASEVILLE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Fiscal year annual debt service requirements for June 30 to maturity for the above governmental fund obligations are as follows:

	Principal	Interest	Total
2021	\$ 339,160	\$ 192,874	\$ 532,034
2022	278,443	168,600	447,043
2023	288,443	158,000	446,443
2024	293,443	149,750	443,193
2025	290,000	141,350	431,350
Thereafter	4,110,000	932,750	5,042,750
	\$ 5,599,489	\$ 1,743,324	\$ 7,342,813

Tax Anticipation Note

On September 16, 2019, the District obtained a tax anticipation note in the amount of \$600,000 which was paid in full on April 1, 2020 along with accrued interest of \$6,435.

NOTE 7. RISK MANAGEMENT

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for medical claims and participates in the SET-SEG risk pool for claims relating to workers' compensation, general liability, and property/casualty claims. Settled claims relating to the commercial insurance did not exceed the amount of coverage in any of the past three fiscal years.

NOTE 8. TAX ABATEMENTS

There were no significant tax abatements made to the District for the fiscal year ended June 30, 2020.

NOTE 9. RETIREMENT PLAN

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) 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. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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

CASEVILLE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

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

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2018 valuation will be amortized over a 20-year period beginning October 1, 2018 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2019.

<u>Benefit Structure</u>	Pension Contribution Rates	
	<u>Member</u>	<u>Employer</u>
		<u>Non-Universities</u>
Basic	0.0 - 4.0%	18.25%
Member Investment Plan	3.0 - 7.0%	18.25%
Pension Plus	3.0 - 6.4%	16.46%
Pension Plus 2	6.20%	19.59%
Defined Contribution	0.00%	13.39%

Required contributions to the pension plan from Caseville Public Schools were \$414,662 for the year ended September 30, 2019.

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

At June 30, 2020, the District reported a liability of \$5,169,206 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2018. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2019, the District's proportion was .01560909 percent, which was a decrease of .00018442 percent from its proportion measured as of September 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$899,347. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 23,170	\$ 21,555
Changes of Assumptions	1,012,134	-
Net difference between projected and actual earnings on pension plan investments	-	165,664
Changes in proportion and differences between Employer contributions and proportionate share of contributions	34,988	57,828
Employer contributions subsequent to the measurement date	412,808	184,938
Total	\$ 1,483,100	\$ 429,985

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Deferred (Inflow) and Deferred Outflow of Resources by
Year (To Be Recognized in Future Pension Expenses)**

Year Ending September 30	Amount
2020	\$ 350,333
2021	249,514
2022	161,133
2023	64,265

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date:	September 30, 2018
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	
- MIP and Basic Plans:	6.80%
- Pension Plus Plan:	6.80%
- Pension Plus 2 Plan:	6.00%
Projected Salary Increases:	2.75 - 11.55%, including wage inflation at 2.75%
Cost-of-Living Pension Adjustments:	3% Annual Non-Compounded for MIP Members
Mortality:	
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 Members:	P-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Notes:

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2017 valuation. The total pension liability as of September 30, 2019, is based on the results of an actuarial valuation date of September 30, 2018, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.4977 for non-university employers].

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2019 MPERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return*</u>
Domestic Equity Pools	28.0%	5.5%
Private Equity Pools	18.0	8.6
International Equity Pools	16.0	7.3
Fixed Income Pools	10.5	1.2
Real Estate and Infrastructure Pools	10.0	4.2
Absolute Return Pools	15.5	5.4
Short-Term Investment Pools	2.0	.8
TOTAL	100.0%	

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

Rate of Return

For the fiscal year ended September 30, 2019, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 5.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan, hybrid plans provided though non-university employees only). This discount rate was based on the long term expected rate of return on pension plan investments of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the 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.

CASEVILLE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents Caseville Public School's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), as well as what Caseville Public School'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 higher:

1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.80% / 5.80% / 5.0%	6.80% / 6.80% / 6.0%	7.80% / 7.80% / 7.0%
\$ 6,720,298	\$ 5,169,206	\$ 3,883,297

* Discount rates listed in the following order: Basic and Member Investment Plan (MIP), Pension Plus, and Pension Plus 2.

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

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS CAFR, available on the ORS website at www.michigan.gov/orsschools.

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

The District accrued liabilities to the System in the amount of \$59,323 associated with salary and wages recorded as liabilities at year end.

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) 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. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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

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

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

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Benefits Provided

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

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

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

Contributions

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

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2018 valuation will be amortized over a 20-year period beginning October 1, 2018 and ending September 30, 2038.

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2019.

<u>Benefit Structure</u>	OPEB Contribution Rates	
	<u>Member</u>	<u>Employer</u>
		<u>Non-Universities</u>
Premium Subsidy	3.00%	7.93%
Personal Healthcare Fund (PHF)	0.00%	7.57%

Required contributions to the OPEB plan from the District were \$105,405 for the year ended September 30, 2019.

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

At June 30, 2020, the District reported a liability of \$1,101,901 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2018. Caseville Public School's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2019, the District's proportion was 0.01535163 percent, which is a decrease of .000001535163 percent from its proportion measured as of October 1, 2018.

For the year ending June 30, 2020, Caseville Public School recognized OPEB expense of \$21,270. At June 30, 2020, Caseville Public Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ -	\$ 404,319
Changes of Assumptions	238,760	-
Net difference between projected and actual earnings on OPEB plan investments	-	19,163
Changes in proportion and differences between Employer contributions and Employer contributions subsequent to the measurement date	1,543	34,523
	<u>99,195</u>	<u>-</u>
Total	<u>\$ 339,498</u>	<u>\$ 458,005</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

**Deferred (Inflow) and Deferred Outflow of
Resources by Year (To Be Recognized in Future
OPEB Expenses)**

Year Ending September 30	Amount
2020	\$ (58,213)
2021	(58,213)
2022	(48,650)
2023	(33,939)
2024	(18,687)

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date:	September 30, 2018	
Actuarial Cost Method:	Entry Age, Normal	
Wage Inflation Rate:	2.75%	
Investment Rate of Return:	6.95%	
Projected Salary Increases:	2.75 - 11.55%, including wage inflation at 2.75%	
Healthcare Cost Trend Rate:	7.5% Year 1 graded to 3.5% Year 12	
Mortality:	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 Members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Other Assumptions:

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

CASEVILLE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Notes: Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2017 valuation. The total OPEB liability as of September 30, 2019, is based on the results of an actuarial valuation date of September 30, 2018, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [5.7101 for non-university employers].

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2019 MPERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of September 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return*</u>
Domestic Equity Pools	28.0%	5.5%
Private Equity Pools	18.0	8.6
International Equity Pools	16.0	7.3
Fixed Income Pools	10.5	1.2
Real Estate and Infrastructure Pools	10.0	4.2
Absolute Return Pools	15.5	5.4
Short-Term Investment Pools	2.0	0.8
TOTAL	100.0%	

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

Rate of Return

For the fiscal year ended September 30, 2019, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 5.37%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CASEVILLE PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Discount Rate

A discount rate of 6.95% 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 6.95%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Caseville Public School's proportionate share of the net OPEB liability to changes in the discount rate

The following presents Caseville Public School's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what Caseville Public School'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 higher:

1% Decrease	Current Discount Rate	1% Increase
5.95%	6.95%	7.95%
\$ 1,351,648	\$ 1,101,901	\$ 892,184

Sensitivity of Caseville Public School's proportionate share of the net OPEB liability to Healthcare Cost Trend Rate

The following presents Caseville Public School's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what Caseville Public School's proportionate share of net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ 883,293	\$ 1,101,901	\$ 1,351,618

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2019 MPSERS CAFR, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

The District accrued liabilities to the System in the amount of \$11,584 associated with salary and wages recorded as liabilities at year end.

CASEVILLE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 11. UPCOMING ACCOUNTING PRONOUNCEMENTS

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* was issued in June 2017 and will be effective for the School District's 2021 year end. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for leases accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

NOTE 12. PRIOR PERIOD ADJUSTMENT

The adoption of GASB 84 required the District to recognize assets for activities in which the District has control over, resulting in making a prior period adjustment. The prior period adjustment of \$85,769 is the District's beginning assets of student activities for fiscal year ending June 30, 2020. The adjustment applies to the fund financial statements as well as the government wide financial statements, restating the beginning fund balance of governmental funds to \$729,433 and net position of government wide financial statements to (\$3,868,832) as of July 1, 2019.

NOTE 14. SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions for potential recognition and disclosure through November 5, 2020, the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. In addition, on March 23, 2020, Governor Gretchen Whitmer issued a statewide stay-at-home order. Which ordered the closure of the physical locations of every non-life sustaining, non-essential business. The order was in effect through May 15, 2020 before restrictions were eased. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. The District's management is anticipating a temporary reduction in revenues from the State but expects levels to rebound as the effects of the pandemic stabilize. Beyond that, management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2020/21. Although the District cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the District's results of future operations, financial position and liquidity in fiscal year 2020/21.

CASEVILLE PUBLIC SCHOOLS
 BUDGET COMPARISON SCHEDULE - GENERAL FUND
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ 1,934,355	\$ 1,967,389	\$ 1,971,922	\$ 4,533
State sources	488,652	701,366	641,672	(59,694)
Federal sources	89,531	129,915	131,289	1,374
Interdistrict and other sources	215,014	226,283	224,372	(1,911)
Total Revenues	2,727,552	3,024,953	2,969,254	(55,699)
EXPENDITURES:				
Instruction-				
Basic needs	1,407,106	1,506,882	1,516,816	9,934
Added needs	406,149	434,073	422,527	(11,546)
Supporting services -				
Pupil	9,551	-	-	-
Instructional staff	34,880	27,251	28,582	1,331
General administration	316,641	353,638	354,908	1,270
School administration	205,577	180,906	180,521	(385)
Business services	5,693	17,959	17,959	-
Operation & maintenance	243,035	230,489	229,250	(1,239)
Transportation	153,202	127,254	126,585	(669)
Support services - Central	8,500	6,681	6,681	-
Support services - Other	70,429	55,860	55,861	-
Capital outlay	-	-	-	-
Total Expenditures	2,860,763	2,940,993	2,939,690	(1,304)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs recovery	4,000	4,000	5,351	1,351
Sale of assets	-	-	2,500	2,500
Redemption of school bus loans	-	-	-	-
Principal payments	(69,771)	(69,771)	(69,771)	-
Interest	-	-	-	-
Net other financing sources (uses)	(65,771)	(65,771)	(61,920)	3,851
NET CHANGE IN FUND BALANCE	(198,982)	18,189	(32,355)	(50,544)
FUND BALANCE - BEGINNING OF YEAR	458,001	458,001	458,001	-
FUND BALANCE - END OF YEAR	\$ 259,019	\$ 476,190	\$ 425,646	\$ (50,544)

CASEVILLE PUBLIC SCHOOLS
 BUDGET COMPARISON SCHEDULE - 2012 DEBT RETIREMENT FUND
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ 443,750	\$ 433,750	\$ 430,144	\$ (3,606)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interdistrict and other sources	-	-	-	-
Total Revenues	443,750	433,750	430,144	(3,606)
EXPENDITURES:				
Debt service -				
Principal payment	245,000	245,000	245,000	-
Interest	189,000	189,000	188,740	(260)
Total Expenditures	434,000	434,000	433,740	(260)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	9,750	(250)	(3,596)	(3,346)
FUND BALANCE - BEGINNING OF YEAR	130,969	130,969	130,969	-
FUND BALANCE - END OF YEAR	\$ 140,719	\$ 130,719	\$ 127,373	\$ (3,346)

CASEVILLE PUBLIC SCHOOLS
 BUDGET COMPARISON SCHEDULE - STUDENT ACTIVITY FUND
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ 92,000	\$ 92,000	\$ 92,883	\$ 883
State sources	-	-	-	-
Federal sources	-	-	-	-
Interdistrict and other sources	-	-	-	-
Total Revenues	92,000	92,000	92,883	883
EXPENDITURES:				
Supporting services - Pupil services	60,000	60,000	55,941	(4,059)
Total Expenditures	60,000	60,000	55,941	(4,059)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	32,000	32,000	36,942	4,942
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
PRIOR PERIOD ADJUSTMENT - GASB 84	-	-	85,769	
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	-	-	85,769	
FUND BALANCE - END OF YEAR	\$ 32,000	\$ 32,000	\$ 122,711	\$ 90,711

CASEVILLE PUBLIC SCHOOLS
 REQUIRED SUPPLEMENTAL INFORMATION
 June 30, 2020

Schedule of the District's Proportionate Share of the Net Pension Liability
 Michigan Public School Employees Retirement Plan
 Last 10 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. District's proportion of net pension liability (%)					0.01561%	0.01579%	0.01584%	0.01597%	0.01489%	0.01297%
B. District's proportionate share of net pension liability					5,169,206	4,747,814	4,104,053	3,985,460	3,636,647	2,857,859
C. District's covered-employee payroll*					1,349,471	1,347,430	1,296,670	1,361,531	1,246,218	1,003,344
D. District's proportionate share of net pension liability as a percentage of its covered-employee payroll					383.05%	352.36%	316.51%	292.72%	291.81%	284.83%
E. Plan fiduciary net position as a percentage of total pension liability					60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

*The employer's covered payroll is defined by GASB 82, Pension Issues—an amendment to GASB Statements No. 67, No. 68, and No. 73, as payroll on which contributions to a pension plan are based; and by GASB 85, Omnibus 2017, as payroll on which contributions to the OPEB plan are based. For university employers, covered payroll for both pension and OPEB is the greater of 1) university payroll on which contributions to the plan are based or 2) the required minimum payroll amount required by PA 136 of 2016. For non-university employers, covered payroll for both pension and OPEB represents payroll on which contributions to both plans are based.

CASEVILLE PUBLIC SCHOOLS
 REQUIRED SUPPLEMENTAL INFORMATION
 June 30, 2020

Schedule of the District's Contributions
 Michigan Public School Employees Retirement Plan
 Last 10 Reporting Unit Fiscal Years (Amounts were determined as of 6/30 of each fiscal year)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$	\$	\$	\$	\$ 414,662	\$ 430,061	\$ 371,463	\$ 358,711	\$ 348,566	\$ 306,856
B. Contributions in relation to statutorily required contributions*					414,662	430,061	371,463	358,711	348,566	306,856
C. Contribution deficiency (excess)	\$	\$	\$	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. District's covered-employee payroll**	\$	\$	\$	\$	\$ 1,349,471	\$ 1,334,713	\$ 1,345,814	\$ 1,361,531	\$ 1,207,241	\$ 1,206,091
E. Contributions as a percentage of covered-employee payroll					30.73%	32.22%	27.60%	26.35%	28.87%	25.44%

*Contributions in relation to statutorily required pension contributions are the contributions an employer actually made to the System, as distinct from the statutorily required contributions.

**The employer's covered payroll is defined by GASB 82, Pension Issues—an amendment to GASB Statements No. 67, No. 68, and No. 73, as payroll on which contributions to a pension plan are based; and by GASB 85, Omnibus 2017, as payroll on which contributions to the OPEB plan are based. For university employers, covered payroll for both pension and OPEB is the greater of 1) university payroll on which contributions to the plan are based or 2) the required minimum payroll amount required by PA 136 of 2016. For non-university employers, covered payroll for both pension and OPEB represents payroll on which contributions to both plans are based.

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with fiscal year ending June 30, 2015.

**CASEVILLE PUBLIC SCHOOLS
REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2020**

Schedule of the District's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
A. Employer's proportion of net OPEB liability (%)								0.01535%	0.01580%	0.01578%
B. Employer's proportionate share of net OPEB liability								1,101,901	1,256,204	1,397,196
C. Employer's covered payroll (OPEB)*								1,345,245	1,347,430	1,296,670
D. Employer's proportionate share of net OPEB liability as a percentage of its covered payroll (%)								81.91%	93.23%	107.75%
E. Plan fiduciary net position as a percentage of total OPEB liability								48.46%	42.95%	36.39%

*The employer's covered payroll is defined by GASB 82, Pension Issues—an amendment to GASB Statements No. 67, No. 68, and No. 73, as payroll on which contributions to a pension plan are based; and by GASB 85, Omnibus 2017, as payroll on which contributions to the OPEB plan are based. For university employers, covered payroll for both pension and OPEB is the greater of 1) university payroll on which contributions to the plan are based or 2) the required minimum payroll amount required by PA 136 of 2016. For non-university employers, covered payroll for both pension and OPEB represents payroll on which contributions to both plans are based.

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

CASEVILLE PUBLIC SCHOOLS
REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2020

Schedule of the District's Contributions
Michigan Public School Employees Retirement Plan
Last 10 Reporting Unit Fiscal Years (Amounts were determined as of 6/30 of each fiscal year)

	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018
A. Statutorily required OPEB contributions								\$ 105,405	\$ 102,579	\$ 114,940
B. OPEB contributions in relation to statutorily required contributions*								105,405	102,579	114,940
C. Contribution deficiency (excess)								\$ -	\$ -	\$ -
D. Employer's covered payroll (OPEB)**								\$ 1,349,471	\$ 1,334,713	\$ 1,345,814
E. OPEB contributions as a percentage of covered payroll								7.81%	7.69%	8.54%

*Contributions in relation to statutorily required OPEB contributions are the contributions an employer actually made to the OPEB Plan, as distinct from the statutorily required contributions.

**The employer's covered payroll is defined by GASB 82, Pension Issues—an amendment to GASB Statements No. 67, No. 68, and No. 73, as payroll on which contributions to a pension plan are based; and by GASB 85, Omnibus 2017, as payroll on which contributions to the OPEB plan are based. For university employers, covered payroll for both pension and OPEB is the greater of 1) university payroll on which contributions to the plan are based or 2) the required minimum payroll amount required by PA 136 of 2016. For non-university employers, covered payroll for both pension and OPEB represents payroll on which contributions to both plans are based.

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

CASEVILLE PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2020

Changes of Benefit Terms

There were no changes of benefit terms in fiscal year ended September 30, 2019.

Changes of Assumptions

There were no changes of benefit assumptions in fiscal year ended September 30, 2019.

CASEVILLE PUBLIC SCHOOLS
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020 With Comparative Totals For 2019

	FOOD SERVICE FUND	TOTALS JUNE 30,	
	<u> </u>	<u>2020</u>	<u>2019</u>
ASSETS:			
Cash	\$ 66,956	\$ 66,956	\$ 140,742
Due from State of Michigan	800	800	721
Due from General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 67,756</u>	<u>\$ 67,756</u>	<u>\$ 141,463</u>
 LIABILITIES:			
Accounts payable	\$ -	\$ -	\$ 1,000
Payroll deductions	<u>854</u>	<u>854</u>	<u>-</u>
Total Liabilities	854	\$ 854	\$ 1,000
 FUND BALANCE:			
Nonspendable	-	-	-
Restricted	66,902	66,902	54,694
Committed	-	-	85,769
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Equity	<u>66,902</u>	<u>66,902</u>	<u>140,463</u>
	<u>\$ 67,756</u>	<u>\$ 67,756</u>	<u>\$ 141,463</u>

CASEVILLE PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
NON MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020 with Comparative Totals for 2019

	JUNE 30,		
	FOOD SERVICE	2020	2019
REVENUES:			
Local Sources -			
Food sales	\$ 12,085	\$ 12,085	\$ 15,215
Interest	-	-	-
Local grant and donations	-	-	-
Other	-	-	-
Total Local Sources	12,085	12,085	15,215
State Sources -			
Section 31d school lunch	4,839	4,839	3,985
Total State Sources	4,839	4,839	3,985
Federal Sources -			
National school breakfast program	40,646	40,646	57,189
National school lunch program	80,331	80,331	105,836
Summer food service program	22,200	22,200	-
Donated commodities	6,877	6,877	8,825
Total Federal Sources	150,054	150,054	171,850
Total Revenues	166,977	166,977	191,050
EXPENDITURES:			
Food Service -			
Salaries	34,241	34,241	18,404
Retirement	12,911	12,911	8,571
Fringe benefits	7,200	7,200	2,700
Payroll taxes	3,170	3,170	1,569
Purchased services	3,072	3,072	20,216
Supplies and materials	5,049	5,049	8,815
Equipment, ND	3,079	3,079	9,572
Workers comp	328	328	318
Dues and fees	1,459	1,459	1,305
Trash disposal	1,149	1,149	704
Software license	683	683	1,860
Miscellaneous	609	609	1,816
Repairs and maintenance	1,337	1,337	7,726
Donated commodities	6,877	6,877	8,825
Food costs	68,854	68,854	65,088
Total Food Service	150,018	150,018	157,488
Total Expenditures	150,018	150,018	157,488
OTHER FINANCING SOURCES AND USES			
Sale of assets	600	600	-
Indirect costs	(5,351)	(5,351)	(5,114)
Total Other Financing Sources and Uses	(4,751)	(4,751)	(5,114)
NET CHANGE IN FUND BALANCE	12,209	12,209	28,448
FUND BALANCE - BEGINNING OF YEAR	54,694	54,694	26,246
FUND BALANCE - END OF YEAR	\$ 54,694	\$ 66,903	\$ 54,694

CASEVILLE PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
NON MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020 with Comparative Totals for 2019

CASEVILLE PUBLIC SCHOOLS
GENERAL FUND
DETAIL SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2020

REVENUES:

Local Sources:

Current and delinquent taxes	\$ 1,918,229
Interest on delinquent taxes	208
Rental income	14,200
Local medicaid payments	1,576
Student activity sales	-
Athletic admission	4,577
Investment income	19,818
Miscellaneous local	4,403
Contributions	<u>8,912</u>
 Total Local Sources	 1,971,922

State Sources:

Discretionary payment	139,021
MPSERS normal cost offset 147a	28,296
MPSERS cost offset 147a	18,356
MPSERS UAAL 147c	169,528
Summer reading program 35a(9)	2,508
Early literacy targeted instruction	3,121
MPSERS reforms DC 147e	1,827
Special education headlee obligation 51c	132,465
Special education cost reimbursement 51f	7,853
At risk - 31A	122,244
CTE per pupil incentive	1,261
Headlee data collection 152a	6,891
First robotics 99h	8,300
Other	<u>-</u>
 Total State Source	 641,672

Federal Sources:

Title I-A	70,355
Title IV-A	20,000
Title II-A	9,066
ESSER formula	10,000
REAP	<u>21,868</u>
 Total Federal Sources	 131,289

Interdistrict Sources:

Huron ISD SE extenuating circumstances	-
Huron ISD transportation	13,846
Huron ISD special education	189,505
Huron ISD SE coordinator revenue	20,360
Huron ISD other	<u>661</u>
 Total ISD	 <u>224,372</u>

Total Revenues	2,969,254
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CASEVILLE PUBLIC SCHOOLS
GENERAL FUND
DETAIL SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2020

Instruction - Basic Programs	
Elementary	
Teachers' salaries	\$ 334,857
Other special pay	4,273
Fringe benefits	103,128
Retirement	136,072
Payroll taxes	23,985
Other costs	3,867
Instructional services	1,605
Teaching supplies	4,123
Repairs and maintenance	149
Textbooks and software	13,328
Total Elementary	625,388
High School	
Teachers' salaries	460,344
Substitute teachers	200
Other special pay	14,167
Fringe benefits	138,966
Retirement	188,169
Payroll taxes	34,317
Tuition	-
Teaching supplies	6,338
Equipment repairs	-
Other costs	-
Miscellaneous	8,917
Textbooks and software	5,627
Instructional services	3,162
New equipment	18,161
ISD tuition	13,061
Total High School	891,428
Pre-Kindergarten	
Teachers' salaries	-
Fringe benefits	-
Retirement	-
Payroll taxes	-
Other costs	-
Cost of meals	-
Workshops	-
Teaching supplies	-
Instructional services	-
Total Pre-Kindergarten	-
Total Basic Programs	1,516,816

CASEVILLE PUBLIC SCHOOLS
GENERAL FUND
DETAIL SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2020

Instruction - Added Needs	
Special Education	
Teachers' salaries	\$ 163,001
Other special pay	-
Fringe benefits	48,516
Retirement	66,230
Payroll taxes	12,952
Equipment repairs	43
Instructional services	11,384
Miscellaneous	48
Textbooks and software	-
Equipment	-
Teaching supplies	-
	<hr/>
Total Special Education	302,174
Compensatory Education:	
Aides' salaries	18,501
Other special pay	4,800
Fringe benefits	1,449
Retirement	13,032
Payroll taxes	1,783
Instructional services	80,590
Supplies	199
ISD tuition	-
	<hr/>
Total Compensatory Education	120,353
	<hr/>
Total Added Needs	422,527
	<hr/>
Total Instruction	1,939,343

CASEVILLE PUBLIC SCHOOLS
GENERAL FUND
DETAIL SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2020

Supporting Services - Pupil	
Guidance services	
Salaries	\$ -
Retirement	-
Fringe benefits	-
Payroll taxes	-
Total Guidance Services	-
Health services	-
Monitoring	-
Total Pupil	-
Supporting Services - Instructional Staff	
Improvement of Instruction	
Instructional services	-
Workshops	6,914
Other	-
Total Improvement of Instruction	6,914
Educational Media Services	
Periodicals	-
Software and other rentals	-
Total Education Media	-
Educational Television	
TV - telephone	-
Instruction Related Technology	
Salaries	10,200
Retirement	-
Payroll taxes	-
Software license	2,881
Professional services	5,090
Services by another	3,353
Supplies and materials	144
Total Instruction Related Technology	21,668

CASEVILLE PUBLIC SCHOOLS
GENERAL FUND
DETAIL SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2020

Supporting Services Instruction Staff (Cont.):	
Supervision and Direction of Instructional Staff	
Salaries	\$ -
Retirement	-
Payroll taxes	-
Other purchased services	-
Fringes	-
Total Supervision and Direction of Staff	-
Total Instructional Staff	28,582
Supporting Services - Academic Student Assessment	
Aides' salaries	-
Fringes	-
Total Academic Student Assessment	-
Supporting Services - General Administration	
Board of Education	
Board salaries	3,600
Payroll taxes	275
Legal services	7,723
Audit	5,536
Phone	720
Postage	-
Purchased services	20,143
Supplies	-
Workshops	896
Miscellaneous	4,639
Advertising	2,142
Dues and fees	3,211
Total Board of Education	48,885

CASEVILLE PUBLIC SCHOOLS
GENERAL FUND
DETAIL SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2020

Supporting Services - General Administration (Cont.):

Executive Administration

Superintendent	\$ 100,962
Administrator assistant salary	24,483
Data collection wages	6,891
Administrative financial assistant	49,158
Fringe benefits	20,229
Retirement	77,599
Payroll taxes	15,496
Other costs	7,200
Telephone	1,560
Dues & fees	915
Postage	-
Office supplies	1,431
Misc. expenses	100
Total Executive Administration	306,023

Total General Administration 354,908

Support Services - School Administration

Office of Principal

Principal salaries	68,000
Other administration salaries	26,200
Fringe benefits	19,397
Retirement	30,744
Payroll taxes	4,878
Contracted services	20,560
Telephone	872
Postage	246
Office supplies	1,059
Other costs	50
Misc. expenses	8,516
Total School Administration	180,521

Support Services - Business

Other Business Services

Insurance	1,693
Taxes abated	9,831
Misc.	-
Interest on debt	6,435
	16,959

CASEVILLE PUBLIC SCHOOLS
GENERAL FUND
DETAIL SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2020

Total Business	17,959
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CASEVILLE PUBLIC SCHOOLS
GENERAL FUND
DETAIL SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2020

Supporting Services - Operation and Maintenance

Operating Building Services

Craft and trade salaries	\$ 30,300
Fringe benefits	14,686
Retirement	12,161
Payroll taxes	2,151
Internet	1,275
Telephone	3,895
Utilities	42,286
Water	3,939
Trash disposal	1,196
Furniture/equipment	1,467
Insurance	18,141
Repair and maintenance - building	77,471
Repair and maintenance - equipment	6,676
Miscellaneous	272
Supplies	13,213
Other costs	120
Total Operation and Maintenance	229,250

Security Services

-

Total Operation and Maintenance

229,250

Supporting Services - Pupil Transportation

Pupil Transportation

Supervision salaries	10,100
Fringe benefits	4,896
Retirement	3,270
Payroll taxes	717
Contracted drivers	53,812
Transportation insurance	7,156
Repair and maintenance	13,629
Vehicle lease	13,443
Gasoline, oil and grease	15,724
Supplies	122
Other costs	2,793
Tires and batteries	513
Miscellaneous	412
Total Pupil Transportation	126,585

CASEVILLE PUBLIC SCHOOLS
GENERAL FUND
DETAIL SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2020

Supporting Services - Central	
Staff/Personnel Services	
Advertising	\$ -
Other	-
Workshops	2,814
Total Staff/Personnel Services	<u>2,814</u>
Non-Instructional Technology Services	
Software	3,868
Total Supporting Services - Central	<u>6,681</u>
Supporting Services - Other	
Pupil Activities	
Purchased services	3,129
Athletic Activities	
Professional services	49,576
Workshops	-
Supplies	1,892
Dues	1,083
Misc. expenses	180
Total Athletic Activities	<u>52,731</u>
Total Supporting Services - Other	55,861
Facilities Acquisition, Construction, and Improvements	
Building Acquisition and Construction Services	-
Debt Service	
Principal	69,771
Interest	-
Total Debt Service	<u>69,771</u>
Other Financing Sources	
Food service transfer - indirect costs	5,351
Sale of capital assets proceeds	2,500
Total Other Financing Uses	<u>7,851</u>
Total Expenditures and Other Financing Uses	<u>3,001,610</u>
Excess of Revenues over (Under) Expenditures	(32,355)
Fund Balance - Beginning of Year	<u>458,001</u>

CASEVILLE PUBLIC SCHOOLS
GENERAL FUND
DETAIL SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2020

Fund Balance - End of Year	<u>\$ 425,646</u>
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CASEVILLE PUBLIC SCHOOLS
 FIDUCIARY FUND
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND DUE TO SCHOOL ORGANIZATIONS
 For the Year Ended June 30, 2020

	Balance Beginning of Year	Additions	Reductions	Balance Ending of Year
Scholarship Funds:				
Historical Society Scholarship	1,000	-	-	1,000
Boosters Scholarship	700	200	-	900
Chamber Scholarship	-	500	-	500
Eagles Scholarship	1,250	-	1,250	-
Kiwanis Scholarship	(500)	500	-	-
Nienstedt Scholarship	20,029	-	2,150	17,879
TNB Scholarship	-	-	-	-
Watson Scholarship	8,891	-	1,000	7,891
Zagorski Scholarship	-	-	-	-
Knights of Columbus Scholarship	1,000	-	-	1,000
Caseville Alumni Scholarship	1,165	-	105	1,060
Total Scholarship Funds	33,535	1,200	4,505	30,230
Total Trust Funds	\$ 33,535	\$ 1,200	\$ 4,505	\$ 30,230

CASEVILLE PUBLIC SCHOOLS
 DETAIL OF 2012 BUILDING SITE GENERAL OBLIGATION BONDS
 June 30, 2020

Purpose of issue:
 2012 Building & Site Bonds
 Amount of issue: \$ 7,310,000
 Interest rate - 1.50% - 4.00%

Date	May, 1		November, 1	
	Principal	Interest	Interest	Total
2020	\$ -	\$ -	\$ 89,400	\$ 89,400
2021	255,000	89,400	84,300	428,700
2022	265,000	84,300	79,000	428,300
2023	275,000	79,000	74,875	428,875
2024	280,000	74,875	70,675	425,550
2025	290,000	70,675	66,325	427,000
2026	300,000	66,325	61,825	428,150
2027	305,000	61,825	57,250	424,075
2028	310,000	57,250	52,600	419,850
2029	320,000	52,600	47,800	420,400
2030	325,000	47,800	42,925	415,725
2031	335,000	42,925	37,900	415,825
2032	345,000	37,900	32,725	415,625
2033	355,000	32,725	26,513	414,238
2034	365,000	26,513	20,125	411,638
2035	375,000	20,125	13,563	408,688
2036	385,000	13,563	6,825	405,388
2037	390,000	6,825	-	396,825
	<u>\$ 5,475,000</u>	<u>\$ 864,625</u>	<u>\$ 864,625</u>	<u>\$ 7,204,250</u>

CASEVILLE PUBLIC SCHOOLS
 DETAIL OF 2005 QUALIFIED ZONE ACADEMY BONDS
 For the Year Ended June 30, 2020

Purpose of issue:
 2005 SCHOOL BUILDING & SITE BONDS

Payment Date	Principal	Interest Rate	Interest	Outstanding Balance	Accumulating Total
4/15/2006	\$ 56,643.38 *	0.00%	0.00	\$ 959,106.62	\$ 56,643.38
4/15/2007	56,643.38 *	0.00%	849.65	901,613.59	114,136.41
4/15/2008	56,643.38 *	0.00%	1,712.05	843,258.16	172,491.84
4/15/2009	56,643.38 *	0.00%	2,587.38	784,027.40	231,722.60
4/15/2010	56,643.38 *	0.00%	3,475.84	723,908.18	291,841.82
4/15/2011	56,643.38 *	0.00%	4,377.63	662,887.17	352,862.83
4/15/2012	56,643.38 *	0.00%	5,392.64	600,851.15	414,898.85
4/15/2013	56,643.38 *	0.00%	6,221.99	537,985.78	477,764.22
4/15/2014	56,643.38 *	0.00%	7,164.97	474,177.43	541,572.57
4/15/2015	56,643.38 *	0.00%	8,122.09	409,411.95	606,338.04
4/15/2016	56,643.38 *	0.00%	9,093.57	343,675.01	672,074.99
4/15/2017	56,643.38 *	0.00%	10,079.63	276,952.00	738,798.00
4/15/2018	56,643.38 *	0.00%	11,080.47	209,228.15	806,521.85
4/15/2019	56,643.38 *	0.00%	12,096.33	140,488.44	875,261.56
4/15/2020	56,643.38 *	0.00%	13,127.43	70,717.63	945,032.37
4/15/2021	56,643.38	0.00%	14,074.25	0.00	\$ 1,015,750.00
	<u>\$ 906,294.08</u>		<u>\$ 109,455.92</u>		

* Payment made to Independent Bank.



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CERTIFIED PUBLIC ACCOUNTANTS

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David G. Gwizdala, C.P.A.

Members:
American Institute of C.P.A.'s
Michigan Association of C.P.A.'s

**INDEPENDENT AUDITORS' 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
Caseville Public Schools

Ladies and Gentlemen:

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 government activities, each major fund, and the aggregate remaining fund information of Caseville Public Schools, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Caseville Public Schools' basic financial statements, and have issued our report thereon dated November 5, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Caseville 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 Caseville Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Caseville 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 may exist that have not been identified.

Compliance and Other Matters

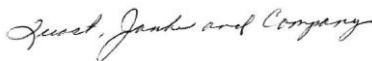
As part of obtaining reasonable assurance about whether Caseville Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 Caseville Public Schools' 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.

Sincerely,

QUAST, JANKE AND COMPANY



Certified Public Accountants, P.C

Bay City, MI 48708

November 5, 2020