

VILLAGE OF DUNDEE
Monroe County, Michigan

ANNUAL FINANCIAL REPORT

February 28, 2015

VILLAGE OF DUNDEE

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Independent Auditor's Report

President and Village Council
Village of Dundee
Dundee, Michigan 48131

Report on Audited Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Dundee, Monroe County, Michigan as of and for the year ended February 28, 2015, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the 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 an opinion 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. 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 in 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 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Dundee, Monroe County, Michigan as of February 28, 2015, and the respective changes in financial position, and where applicable it's cash flows for the year then ended, in conformity 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 and budgetary comparison information on pages 3 through 10 and 68 through 72 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Dundee, Monroe County, Michigan's basic financial statements. The combining and individual nonmajor fund financial statements and combining agency fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and combining agency fund financial statements 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, the combining and individual nonmajor fund financial statements and combining agency fund financial statements are fairly stated in all material respects in relation to the financial statements as a whole.

Cooley Hehl
Wohlgamuth + Carlton

June 5, 2015

VILLAGE OF DUNDEE

Management's Discussion and Analysis Year Ended February 28, 2015

As management of the Village of Dundee, Monroe County, Michigan, we offer readers of the Village's financial statements this narrative overview and analysis of the governmental and business-type activities of the Village for the fiscal year ended February 28, 2015. This information should be taken into consideration before reading the Village's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consist of the financial statements and other supplementary information that presents all the Village's revenues and expenditures by program for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds, and Component Units.

Financial Highlights

The assets of the Village exceeded its liabilities at the close of the most recent year by \$36,989,310 (net position). Of this amount, \$5,773,146 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$577,312.

At the close of the year, the Village's governmental funds reported combined ending fund balances of \$4,655,619, a decrease of \$750,265 in comparison with the prior year increase of \$320,154. Approximately 58.67 percent of this amount, or \$2,731,261 is available for spending at the government's discretion (unrestricted fund balance). \$1,106,775 was assigned and \$1,624,486 was unassigned.

At the end of the year, the unassigned fund balance for the general fund was \$1,624,486 or 93.5 percent of total general fund expenditures.

The Village had a net decrease in total bonded debt and compensated absences of \$1,676,855. No new debt was issued during the year. The Village used the remaining proceeds of \$535,413 from prior year loan proceeds to complete energy improvements during the year. The Village also used \$194,068 of proceeds from a prior year bond issue for storm water and sanitary sewer system improvements and \$196,022 remains available for future use. Village's debt issued will be paid from various sources provided through special assessments, general revenues, and water and sewer charges.

Overview of the Financial Statements

This report is organized so that the reader can understand the Village of Dundee financially as a whole. This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves. Other supplementary information also includes combining balance sheets/statement of net position and statement of revenues, expenditures, and changes in fund balance/net position for each of the Villages component units.

VILLAGE OF DUNDEE

Management's Discussion and Analysis Year Ended February 28, 2015

Government-Wide Financial Statements

The Government-Wide Financial Statements (on pages 11-14), which appear first in the Village's financial statements, report information on the Village as a whole and its activities. These statements include all its' assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The Statement of Net Position presents information on all the Village's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. The Statement of Activities presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus the revenues and expenses are reported in this statement for some items that will only result in cash flows in the future periods (i.e., earned but unused vacation leave). The relationship between revenues and expenses indicates the Village's operating results. However, the Village's goal is to provide services and economic growth to our residents, not to generate profits as commercial entities do. One must consider many other non financial factors, such as the quality of the services provided and the safety of the public to assess the overall health of the Village.

Both of the government-wide statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. These functions can be divided into three following categories:

Governmental activities - which encompass all the Village's services, including general government services, public safety, and public works. Property taxes, state grants, charges for services, and capital contributions finance most of these activities.

Business-type activities - which include sanitary sewer and water distribution operations.

Component units - which provide special types of financial arrangements that promote economic development and other activities in the community.

The government-wide financial statements include not only the Village itself (known as the primary government), but also of legally separate authorities - the Downtown Development Authority, Local Development Finance Authorities #1 and #3, Economic Development Corporation, and Brownfield Development Authority - for which the Village is financially accountable. The individual component units are combined and presented separately from the primary government itself on pages 27 - 30.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law and by bond covenants. However the Village establishes most of its funds to control and manage money for particular purposes or to show that it is properly using revenues. All of the funds of the Village can be divided into four categories: Governmental funds, Proprietary funds, Fiduciary funds, and Component units.

VILLAGE OF DUNDEE

*Management's Discussion and Analysis
Year Ended February 28, 2015*

Fund Financial Statements - Concluded

Governmental funds - All of the Village's governmental funds are used to account for the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. They are reported using the modified accrual method, which measures cash and all other financial assets that can be converted to cash. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are provided for the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances, on pages 17 and 20 respectively, to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, major street, local street, municipal highway, building department, parks and recreation, and capital funds. All of these governmental funds are considered to be and presented as major funds. All other remaining funds are reported as other governmental funds. Combining statements of non-major governmental are presented as other supplementary information.

The Village adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 15, 16, 18, and 19 of this report.

Proprietary fund - The Village maintains a proprietary fund to account for its sanitary sewer and water distribution operations (Enterprise Fund). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements present information on the Village's sewer and water operations as one major fund.

The basic proprietary fund financial statements can be found on pages 21 through 25 of this report.

Fiduciary funds - Agency funds are used to account for assets held by the Village as an agent for the collection and disbursement of property taxes and escrow accounts. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

The only basic fund financial statement for Fiduciary funds required to be reported can be found on page 26 of this report.

VILLAGE OF DUNDEE

Management's Discussion and Analysis Year Ended February 28, 2015

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 31 through 67 of this report.

Government-Wide Financial Analysis

Recall that the Statement of Net Position provides a long-term perspective of the Village's financial position. As indicated earlier and on Table 1 of the following page assets exceeded liabilities by \$36,989,310 at the close of the most recent year.

By far the largest portion of the Village's net position (73.6 percent) reflects its investment in capital assets (land, buildings, systems, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

As also depicted in Table 1, the Village's unrestricted net position totaled \$5,773,146. This amount represents the accumulated results of all past year's operations. The unrestricted net position balance is used for working capital and cash flow needs as well as to provide for future uncertainties. It means that if we had to pay all of our bills off today, including all of our noncapital liabilities, we could with our current resources. The operating results of the general fund will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the Village as a whole are reported in the Statement of Activities (Table 2), which shows the changes in net position for the fiscal year ended February 28, 2015.

VILLAGE OF DUNDEE

*Management's Discussion and Analysis
Year Ended February 28, 2015*

Table 1:

**Condensed Statement of Net Position
February 28, 2015**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	\$4,962,253	\$6,018,645	\$4,350,063	\$3,684,365	\$9,312,316	\$9,703,010
Restricted assets	0	0	547,131	845,871	547,131	845,871
Capital and other noncurrent assets, net	17,797,920	17,849,744	22,517,163	22,917,780	40,315,083	40,767,524
Total Assets	22,760,173	23,868,389	27,414,357	27,448,016	50,174,530	51,316,405
Total Deferred Outflows	0	0	189,282	212,942	189,282	212,942
Current and other liabilities	495,439	953,271	839,337	1,102,071	1,334,776	2,055,342
Long-term liabilities	3,357,377	3,732,511	8,682,349	9,307,906	12,039,726	13,040,417
Total Liabilities	3,852,816	4,685,782	9,521,686	10,409,977	13,374,502	15,095,759
Total Deferred inflows	0	21,590	0	0	0	21,590
Net Position						
Net investment in capital assets	14,032,432	13,489,040	13,204,814	12,909,874	27,237,246	26,398,914
Restricted:						
Prepaid items	7,415	6,553	10,954	10,663	18,369	17,216
Fixed asset replacement	0	0	1,000	1,000	1,000	1,000
Streets and highways	1,843,127	2,117,982	0	0	1,843,127	2,117,982
Parks and recreation	2,886	1,674	0	0	2,886	1,674
Historical commission	377	18,982	0	0	377	18,982
Building department	73,816	103,653	0	0	73,816	103,653
Capital improvement	845,170	1,275,112	0	0	845,170	1,275,112
Debt service	458,760	530,170	735,413	1,057,813	1,194,173	1,587,983
Unrestricted	1,643,374	1,617,851	4,129,772	3,271,631	5,773,146	4,889,482
Total Net Position	\$18,907,357	\$19,161,017	\$18,081,953	\$17,250,981	\$36,989,310	\$36,411,998

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

The government's total net position increased by \$577,312 during the fiscal year ended. This increase is primarily attributable to the increases in charges for service and grants.

VILLAGE OF DUNDEE

*Management's Discussion and Analysis
Year Ended February 28, 2015*

As indicated in Table 2, the cost of all governmental activities this year was \$2.653 million. Of this amount \$226,483 was subsidized with revenue generated from charges for services with the remaining costs financed with grants and general revenues. The cost of business-type activities was \$3.087 million.

The Village experienced a decrease in net position of governmental activities of \$253,660. This decrease is due to a loss on the sale of capital asset of \$54,600 and net transfers out of \$144,409. The Village experienced an increase in net position of business-type activities of \$830,972.

Table 2:

**Changes in Net Position
Year Ended February 28, 2015**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$226,483	\$249,714	\$3,071,106	\$3,037,345	\$3,297,589	\$3,287,059
Grants and contributions	310,854	287,207	122,010	313,951	432,864	601,158
	<u>537,337</u>	<u>536,921</u>	<u>3,193,116</u>	<u>3,351,296</u>	<u>3,730,453</u>	<u>3,888,217</u>
General revenues						
Property taxes	1,429,266	1,430,651	0	1,818	1,429,266	1,432,469
State grants (revenue sharing)	321,724	311,780	0	0	321,724	311,780
Other	309,667	233,769	86,806	242,160	396,473	475,929
	<u>2,060,657</u>	<u>1,976,200</u>	<u>86,806</u>	<u>243,978</u>	<u>2,147,463</u>	<u>2,220,178</u>
Total Revenues	<u>2,597,994</u>	<u>2,513,121</u>	<u>3,279,922</u>	<u>3,595,274</u>	<u>5,877,916</u>	<u>6,108,395</u>
Functions/Program Expenses						
Legislative	15,689	16,416	0	0	15,689	16,416
General government	765,700	774,947	0	0	765,700	774,947
Public safety	838,914	683,250	0	0	838,914	683,250
Public works	687,549	697,189	0	0	687,549	697,189
Economic Development	68,198	95,813	0	0	68,198	95,813
Culture and recreation	141,510	117,472	0	0	141,510	117,472
Capital improvements	0	35,195	0	0	0	35,195
Insurance	25,236	31,835	0	0	25,236	31,835
Interest on long-term debt	109,849	198,944	0	0	109,849	198,944
Water department	0	0	1,227,253	1,264,007	1,227,253	1,264,007
Sewer department	0	0	1,859,594	1,969,990	1,859,594	1,969,990
Total Expenses	<u>2,652,645</u>	<u>2,651,061</u>	<u>3,086,847</u>	<u>3,233,997</u>	<u>5,739,492</u>	<u>5,885,058</u>
Increase in Net Position						
Before Losses and Transfers	(54,651)	(137,940)	193,075	361,277	138,424	223,337
Loss on sale of capital assets	(54,600)	0	0	0	(54,600)	0
Transfers, net	(144,409)	253,403	637,897	346,600	493,488	600,003
Increase (Decrease) in Net Position	<u><u>(\$253,660)</u></u>	<u><u>\$115,463</u></u>	<u><u>\$830,972</u></u>	<u><u>\$707,877</u></u>	<u><u>\$577,312</u></u>	<u><u>\$823,340</u></u>

VILLAGE OF DUNDEE

*Management's Discussion and Analysis
Year Ended February 28, 2015*

Fund Financial Analysis

As noted earlier, the Village uses funds to help control and manage money for specific purposes. Looking at funds helps the reader consider whether the Village of Dundee's Management is being held accountable for resources taxpayers and others provide to it and may give more insight into the Village's overall financial health.

As the Village completed the latest fiscal year, governmental funds reported a combined balance of \$4,655,619, which is a decrease of \$750,265 from last year. The decrease is due to road construction and prior year debt proceeds in the capital project funds that were spent this year on energy improvements. The changes by fund are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Retirement Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Fund balances- Beginning of year	\$1,608,144	\$2,242,405	\$280,223	\$1,275,112	\$5,405,884
Increase (decrease)	<u>22,761</u>	<u>(321,203)</u>	<u>(21,881)</u>	<u>(429,942)</u>	<u>(750,265)</u>
Fund balances- End of year	<u>\$1,630,905</u>	<u>\$1,921,202</u>	<u>\$258,342</u>	<u>\$845,170</u>	<u>\$4,655,619</u>

Many factors have contributed to the General Fund's fund balance decreasing. The tables below will assist in illustrating the financial activities of the General Fund.

	<u>February 28, 2015</u>	<u>February 28, 2014</u>	<u>Percent Change</u>
Revenues			
Property taxes	\$1,011,272	\$1,012,562	(0.13)%
Licenses and permits	61,656	58,539	5.32 %
State revenue sharing	321,724	311,780	3.19 %
Interest and rentals	188,470	203,919	(7.58)%
Other	134,649	133,995	0.49 %
Transfers in	<u>42,633</u>	<u>47,403</u>	(10.06)%
Total Revenues	<u>\$1,760,404</u>	<u>\$1,768,198</u>	(0.44)%
Expenditures			
Legislative	\$15,689	\$16,416	(4.43)%
General government	202,949	210,255	(3.47)%
Public safety	658,439	606,714	8.53 %
Public works	259,034	247,796	4.54 %
Economic development	68,198	95,813	(28.82)%
Insurance and other	25,236	24,595	2.61 %
Transfers out	<u>508,098</u>	<u>573,628</u>	(11.42)%
Total Expenditures	<u>\$1,737,643</u>	<u>\$1,775,217</u>	(2.12)%

VILLAGE OF DUNDEE

Management's Discussion and Analysis Year Ended February 28, 2015

General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires the Village of Dundee Council to adopt the original budget prior to March 1, the start of the fiscal year. Over the course of the year the Village reviewed and amended its budget for unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that the expenditures do not exceed appropriations. A schedule illustrating the Village's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information of these statements.

Long-term Contracts, Capital Assets and Debt Administration

As of February 28, 2015, the Village had \$60.24 million invested in a broad range of capital assets, including land, building and improvements, machinery and equipment, vehicles, as well as water and sewer systems. The Village continued to make improvements to existing storm and sanitary sewer facilities in the amount of \$194,068. Other additions which totaled \$1,055,085 included \$16,900 for building improvements, \$505,923 for road improvements, \$499,732 for energy improvements, and \$32,530 for equipment purchases. No new debt was issued during the year. Depreciation this year totaled \$700,849 for governmental activities and \$871,615 for business-type activities. Details regarding capital assets are included in Note 9 to the financial statements.

Debt

At February 28, 2015, the Village's debt, which includes the Component Units, consisted mainly of contracts payable and general obligation bonds. Total debt outstanding, including compensated absences and unamortized issuance discount, was \$29,043,980 as of February 28, 2015. The repayment of debt will be financed partially by tax increment financing and special assessments administered through the Village's Tax Collection Agency Fund which collects special assessments for the Village's street projects. It will also be partially financed through sewer and water debt charges on quarterly water and sewer billings. A detail summary of changes in long-term debt is located in Note 11 to the financial statements.

Development of the 2015-2016 Fiscal Year Budget

Our elected officials considered many factors when setting the Village's 2015-2016 fiscal year budget. Based primarily on the last fiscal year's spending patterns, thought is also given to factors affecting the budget, like decreased revenue as a result of reduced millage rates. The Village has taken several measures to help control the rising costs of governmental services. We will continue to watch our budget closely as we continue to upgrade our development programs and roads using money received from property taxes.

Contacting the Village of Dundee

This financial report is designed to provide the Village's citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances to demonstrate its accountability for the money it receives. If you have any questions about this report or any other information, contact the Village of Dundee Finance Director, 350 West Monroe Street, Dundee, MI 48131. Our phone number is (734) 529-3430.

VILLAGE OF DUNDEE

*Statement of Net Position
February 28, 2015*

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and cash equivalents	\$4,419,711	\$3,656,524	\$8,076,235	\$2,501,668
Receivables:				
Accounts	24,205	656,863	558,177	0
Delinquent taxes	150,197	3,869	170,012	0
Special assessments	261,642	0	261,642	0
Internal balances	45,683	(22,381)	23,302	(23,302)
Due from other governmental units	53,400	44,234	97,634	712,820
Prepaid expenses	7,415	10,954	18,369	0
Total Current Assets	<u>4,962,253</u>	<u>4,350,063</u>	<u>9,312,316</u>	<u>3,191,186</u>
Restricted assets				
Cash and cash equivalents	0	349,850	349,850	287,833
Cash with fiscal agent	0	197,281	197,281	0
Total Restricted Assets	<u>0</u>	<u>547,131</u>	<u>547,131</u>	<u>287,833</u>
Noncurrent assets				
Capital assets:				
Nondepreciated	574,044	2,924,312	3,498,356	3,300,000
Depreciated, net	17,223,876	19,592,851	36,816,727	10,437,696
Total Capital Assets	<u>17,797,920</u>	<u>22,517,163</u>	<u>40,315,083</u>	<u>13,737,696</u>
Total Assets	22,760,173	27,414,357	50,174,530	17,216,715
Deferred Outflow of Resources				
Sewer refunding	0	189,282	189,282	0
Liabilities				
Current liabilities				
Accounts payable	18,558	51,625	70,183	19,623
Accrued payroll	14,567	5,604	20,171	0
Accrued interest	32,977	111,827	144,804	41,838
Customer deposits	27,871	33,157	61,028	0
Accrued compensated absences	26,332	7,124	33,456	0
Current portion of long term debt net of related discount	375,134	630,000	1,005,134	360,000
Total Current Liabilities	<u>495,439</u>	<u>839,337</u>	<u>1,334,776</u>	<u>421,461</u>
Noncurrent liabilities				
Bonds payable (net of related discount)	3,357,377	8,682,349	12,039,726	15,670,665
Total Liabilities	<u>3,852,816</u>	<u>9,521,686</u>	<u>13,374,502</u>	<u>16,092,126</u>
Deferred Inflow of Resources	0	0	0	0

See accompanying notes to the basic financial statements

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net Position				
Net investment in capital assets	\$14,032,432	\$13,204,814	\$27,237,246	(\$2,307,369)
Restricted for:				
Prepaid expenses	7,415	10,954	18,369	0
Fixed asset replacement	0	1,000	1,000	0
Streets and highways	1,843,127	0	1,843,127	0
Parks and recreation	2,886	0	2,886	0
Historical commission	377	0	377	0
Building department	73,816	0	73,816	0
Capital improvements	845,170	0	845,170	0
Debt service	458,760	735,413	1,194,173	1,115,039
Unrestricted	1,643,374	4,129,772	5,773,146	2,316,919
Total Net Position	\$18,907,357	\$18,081,953	\$36,989,310	\$1,124,589

VILLAGE OF DUNDEE

Statement of Activities
Year Ended February 28, 2015

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Legislative	\$15,689	\$0	\$0	\$0
General government	765,700	195,099	0	0
Public safety	838,914	31,384	0	0
Public works	687,549	0	310,854	0
Economic development	68,198	0	0	0
Culture and recreation	141,510	0	0	0
Capital improvements	0	0	0	0
Insurance	25,236	0	0	0
Interest on long-term debt	109,849	0	0	0
Total governmental activities	2,652,645	226,483	310,854	0
Business-type activities				
Water department	1,227,253	1,449,302	0	0
Sewer department	1,859,594	1,621,804	122,010	0
Total business-type activities	3,086,847	3,071,106	122,010	0
Total primary government	\$5,739,492	\$3,297,589	\$432,864	\$0
Component units				
Downtown Development Authority	\$225,150	\$0	\$0	\$0
LDFA - Water Plant	700	0	0	0
LDFA - Global Engine	262,723	0	0	0
Economic Development - Cabelas	573,580	0	0	0
Brownfield Redevelopment	1,225	0	0	0
Total component units	\$1,063,378	\$0	\$0	\$0

General revenues
Taxes
Property taxes
State revenue sharing
Tap fees
Interest and rentals
Other
Loss on sale of capital assets
Transfers
Total general revenues and transfers
Change in net position
Net position, beginning of year
Net position, end of year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
(\$15,689)	\$0	(\$15,689)	
(570,601)	0	(570,601)	
(807,530)	0	(807,530)	
(376,695)	0	(376,695)	
(68,198)	0	(68,198)	
(141,510)	0	(141,510)	
0	0	0	
(25,236)	0	(25,236)	
(109,849)	0	(109,849)	
<u>(2,115,308)</u>	<u>0</u>	<u>(2,115,308)</u>	
0	222,049	222,049	
0	(115,780)	(115,780)	
<u>0</u>	<u>106,269</u>	<u>106,269</u>	
<u>(2,115,308)</u>	<u>106,269</u>	<u>(2,009,039)</u>	
			(\$225,150)
			(700)
			(262,723)
			(573,580)
			<u>(1,225)</u>
			<u>(1,063,378)</u>
1,429,266	0	1,429,266	1,320,715
321,724	0	321,724	0
0	82,305	82,305	0
76,981	4,501	81,482	2,912
232,686	0	232,686	4,432
(54,600)	0	(54,600)	0
(144,409)	637,897	493,488	(493,488)
<u>1,861,648</u>	<u>724,703</u>	<u>2,586,351</u>	<u>834,571</u>
<u>(253,660)</u>	<u>830,972</u>	<u>577,312</u>	<u>(228,807)</u>
<u>19,161,017</u>	<u>17,250,981</u>	<u>36,411,998</u>	<u>1,353,396</u>
<u>\$18,907,357</u>	<u>\$18,081,953</u>	<u>\$36,989,310</u>	<u>\$1,124,589</u>

VILLAGE OF DUNDEE

*Balance Sheet
Governmental Funds
February 28, 2015*

	General Fund	Municipal Street Fund	Major Street Fund
Assets			
Cash and cash equivalents	\$1,420,700	\$1,055,365	\$681,637
Receivables:			
Accounts	16,179	7,051	0
Delinquent taxes	96,826	46,142	0
Special assessments	0	0	5,234
Due from other funds	97,295	12,466	2,663
Due from other governmental units	53,400	0	0
Prepaid expenses	6,419	0	0
Total Assets	\$1,690,819	\$1,121,024	\$689,534
Liabilities			
Accounts payable/retainage	\$18,662	\$0	\$3,520
Accrued wages	11,020	0	1,422
Due to other funds	5,232	0	15,788
Customer deposits	25,000	0	0
Total Liabilities	59,914	0	20,730
Deferred Inflows of Resources			
Special assessments	0	0	0
Total Deferred Inflows	0	0	0
Fund Balance			
Nonspendable:			
Prepaid expenses	6,419	0	0
Restricted for:			
Streets and highways	0	1,121,024	668,804
Building code enforcement	0	0	0
Assigned to:			
Culture and recreation	0	0	0
Special projects	0	0	0
Community and economic development	0	0	0
Debt service	0	0	0
Unassigned	1,624,486	0	0
Total Fund Balances	1,630,905	1,121,024	668,804
Total Liabilities, Deferred Inflows and Fund Balances	\$1,690,819	\$1,121,024	\$689,534

See accompanying notes to the basic financial statements

Local Street Fund	Industrial Park/ Equipment Purchase Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$65,237	\$528,946	\$622,606	\$4,374,491
0	0	975	24,205
0	0	7,229	150,197
7,606	0	248,802	261,642
0	5,000	0	117,424
0	0	0	53,400
0	0	996	7,415
<u>\$72,843</u>	<u>\$533,946</u>	<u>\$880,608</u>	<u>\$4,988,774</u>
\$3,520	\$0	\$4,315	\$30,017
1,146	0	979	14,567
14,878	18,120	6,264	60,282
0	0	2,871	27,871
<u>19,544</u>	<u>18,120</u>	<u>14,429</u>	<u>132,737</u>
0	0	200,418	200,418
0	0	200,418	200,418
0	0	996	7,415
53,299	0	0	1,843,127
0	0	73,816	73,816
0	0	3,263	3,263
0	515,826	2,673	518,499
0	0	326,671	326,671
0	0	258,342	258,342
0	0	0	1,624,486
<u>53,299</u>	<u>515,826</u>	<u>665,761</u>	<u>4,655,619</u>
<u>\$72,843</u>	<u>\$533,946</u>	<u>\$880,608</u>	<u>\$4,988,774</u>

VILLAGE OF DUNDEE

Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
February 28, 2015

Total Governmental Fund Balance		\$4,655,619
Amounts reported for governmental activities in the statement of net position are different because:		
Internal service funds are used by the Village of Dundee to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with the governmental activities in the statement of net position.		
Total internal service fund net position		45,220
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Cost of capital assets	\$24,334,236	
Accumulated depreciation	<u>(6,536,316)</u>	
		17,797,920
Deferred inflows of resources are recognized as special assessments revenue on a modified accrual basis as money is collected in the governmental funds. However in the statement of net position it is recognized in the year earned or when the special assessment project was completed.		
		200,418
Long-term liabilities including accrued compensated absences and long-term general obligations are not due and payable in the current year and therefore are not reported in the governmental funds.		
		(3,758,843)
Accrued interest on long term liabilities is not reported in the funds		
		<u>(32,977)</u>
Total Net Position of Governmental Activities		<u><u>\$18,907,357</u></u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

*Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
February 28, 2015*

	General Fund	Municipal Street Fund	Major Street Fund	Local Street Fund
Revenues				
Taxes	\$1,011,272	\$417,994	\$0	\$0
Special assessments	0	0	0	0
Licenses and permits	61,656	0	0	0
State grants	321,724	0	223,833	87,021
Fines and forfeits	31,384	0	0	0
Interest and rentals	188,470	1,282	720	201
Other revenues	103,265	13,396	41,213	52,915
Total Revenues	1,717,771	432,672	265,766	140,137
Expenditures				
Legislative	15,689	0	0	0
General government	202,949	0	0	0
Public safety	658,439	0	0	0
Public works	259,034	44,367	495,651	490,283
Economic development	68,198	0	0	0
Culture and recreation	0	0	0	0
Capital outlay	0	0	0	0
Insurance	25,236	0	0	0
Debt service	0	0	0	0
Total Expenditures	1,229,545	44,367	495,651	490,283
Excess (Deficiency) of				
Revenues over Expenditures	488,226	388,305	(229,885)	(350,146)
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	0	0	0	0
Operating transfers in	42,633	0	200,000	200,000
Operating transfers (out)	(508,098)	(442,060)	(5,200)	(35,869)
Total Other Financing Sources (Uses)	(465,465)	(442,060)	194,800	164,131
Net Change in Fund Balances	22,761	(53,755)	(35,085)	(186,015)
Fund Balances - Beginning of Year	1,608,144	1,174,779	703,889	239,314
Fund Balances - End of Year	\$1,630,905	\$1,121,024	\$668,804	\$53,299

See accompanying notes to the basic financial statements

Industrial Park/ Equipment Purchase Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$0	\$1,429,266
0	49,529	49,529
0	133,443	195,099
0	0	632,578
0	0	31,384
516	27,926	219,115
0	21,897	232,686
516	232,795	2,789,657
0	0	15,689
0	0	202,949
0	152,567	811,006
0	0	1,289,335
0	0	68,198
0	97,233	97,233
255,332	0	255,332
0	0	25,236
0	705,065	705,065
255,332	954,865	3,470,043
(254,816)	(722,070)	(680,386)
74,530	0	74,530
0	678,177	1,120,810
(258,492)	(15,500)	(1,265,219)
(183,962)	662,677	(69,879)
(438,778)	(59,393)	(750,265)
954,604	725,154	5,405,884
\$515,826	\$665,761	\$4,655,619

VILLAGE OF DUNDEE

*Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
February 28, 2015*

Net Change in Fund Balances - Total Governmental Funds		(\$750,265)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	\$778,155	
Less current year depreciation	<u>(700,849)</u>	
		77,306
Revenues in the governmental funds that do not provide current financial resources are not reported as revenue in the statement of activities.		(49,529)
Interest is recorded as it accrues in the statement of activities		19,542
Compensated absences not payable from current year resources are not reported as expenditures of the current year. In the statement of activities, these costs represent expenses of the current year.		2,692
Repayment of bond principal is an expenditure in the governmental funds, but the repayment of bonds reduces long-term liabilities in the statement of net position.		575,674
Proceeds from the sale of assets are reported as other financing sources in the governmental fund financial statements but are included in the gain or (loss) on the sale of capital assets in the statement of activities.		(74,530)
Gains or (losses) are reported in the statement of activities, but the proceeds on the disposal of assets are reported in the governmental funds.		(54,600)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds is reported with the governmental activities.		<u>50</u>
Change in Net Position of Governmental Activities		<u><u>(\$253,660)</u></u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

Statement of Net Position
 Proprietary Funds
 February 28, 2015

	Business-type Activities Enterprise Funds			Governmental Activities
	Water	Sewage Disposal	Total	Internal Service Funds
Assets				
Current assets				
Cash and cash equivalents	\$2,141,981	\$1,514,543	\$3,656,524	\$45,220
Receivables:				
Delinquent taxes	3,869	0	3,869	0
Accounts	291,924	364,939	656,863	0
Due from other funds	811	18,733	19,544	0
Due from other governments	0	44,234	44,234	0
Prepaid expenses	5,535	5,419	10,954	0
Total Current Assets	<u>2,444,120</u>	<u>1,947,868</u>	<u>4,391,988</u>	<u>45,220</u>
Restricted assets				
Cash and cash equivalents	0	349,850	349,850	0
Cash with fiscal agent	4	197,277	197,281	0
Total Restricted Assets	<u>4</u>	<u>547,127</u>	<u>547,131</u>	<u>0</u>
Noncurrent assets				
Capital assets:				
Land and buildings	4,603,418	15,361,913	19,965,331	0
Machinery and equipment	7,396,977	5,707,283	13,104,260	0
Construction in progress	0	2,841,036	2,841,036	0
	<u>12,000,395</u>	<u>23,910,232</u>	<u>35,910,627</u>	<u>0</u>
Less: accumulated depreciation	(5,314,276)	(8,079,188)	(13,393,464)	0
Net Capital Assets	<u>6,686,119</u>	<u>15,831,044</u>	<u>22,517,163</u>	<u>0</u>
Total Assets	9,130,243	18,326,039	27,456,282	45,220
Deferred Outflow of Resources				
Sewer refunding	0	189,282	189,282	0

See accompanying notes to the basic financial statements

	Business-type Activities			Governmental
	Water	Sewage Disposal	Total	Activities Internal Service Funds
Liabilities				
Current liabilities				
Accounts payable	\$8,550	\$43,075	\$51,625	\$0
Accrued payroll	4,005	1,599	5,604	0
Due to other funds	18,561	23,364	41,925	0
Customer deposits	32,157	1,000	33,157	0
Accrued interest	33,520	78,307	111,827	0
Accrued compensated absences	4,566	2,558	7,124	0
Total Current Liabilities (payable from current assets)	101,359	149,903	251,262	0
Current liabilities (payable from restricted assets):				
Current portion of contract payable - sewer	0	325,000	325,000	0
Current portion of bonds payable - water/sewer	20,000	20,000	40,000	0
Current portion of contract payable - water	145,000	0	145,000	0
Current portion of contract payable - sewer	17,500	17,500	35,000	0
Current portion of contract payable - sewer	0	85,000	85,000	0
Total Current Liabilities (payable from restricted assets)	182,500	447,500	630,000	0
Noncurrent liabilities (payable from restricted assets):				
Contract payable - sewer	0	2,850,000	2,850,000	0
Bonds payable - water/sewer	45,000	45,000	90,000	0
Contract payable - water (net of \$29,891 discount)	2,385,109	0	2,385,109	0
Bonds payable - water/sewer	155,845	155,845	311,690	0
Bonds payable - sewer (net of \$29,450 discount)	0	3,045,550	3,045,550	0
Total Noncurrent Liabilities (payable from restricted assets)	2,585,954	6,096,395	8,682,349	0
Total Liabilities	2,869,813	6,693,798	9,563,611	0
Net Position				
Net Investment in capital assets	3,917,665	9,287,149	13,204,814	0
Restricted:				
Prepaid expenses	5,535	5,419	10,954	0
Replacement fund	1,000	0	1,000	0
Debt retirement and construction	4	736,409	735,413	0
Unrestricted	2,336,226	1,792,546	4,129,772	45,220
Total Net Position	\$6,260,430	\$11,821,523	\$18,081,953	\$45,220

VILLAGE OF DUNDEE

*Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended February 28, 2015*

	Business-type Activities Enterprise Fund			Governmental Activities
	Water Department	Sewer Department	Totals	Internal Service Funds
Operating Revenues				
Charges for services	\$1,416,695	\$1,600,531	\$3,017,226	\$0
Grant revenue	0	122,010	122,010	0
Hydrant rental	15,111	0	15,111	0
Penalties	11,856	14,022	25,878	0
Other revenue	5,640	7,251	12,891	0
Total Operating Revenues	1,449,302	1,743,814	3,193,116	0
Operating Expenses				
Operating and maintenance wages	81,964	32,912	114,876	0
Clerical salaries	40,930	40,930	81,860	0
Employee benefits	51,715	49,343	101,058	0
Training	1,754	0	1,754	0
Utilities and telephone	13,814	199,260	213,074	0
Water supply and system maintenance	582,782	118,782	701,564	0
Chemicals	0	32,769	32,769	0
Laboratory supplies	1,784	4,137	5,921	0
Insurance	25,998	31,238	57,236	0
Office supplies	2,589	3,890	6,479	0
Professional services	3,600	7,175	10,775	0
Depreciation and amortization	300,152	575,906	876,058	0
Miscellaneous expense	476	2,109	2,585	0
Engineering fees	9,054	29,479	38,533	0
Contractual services	3,610	418,319	421,929	0
Vacation and sick pay	43	427	470	0
Sanitation	0	53,285	53,285	0
Total Operating Expenses	1,120,265	1,599,961	2,720,226	0
Net Operating Income (loss)	329,037	143,853	472,890	0
Non-Operating Revenues (Expenses)				
Tap fees	36,758	45,547	82,305	0
Interest income	2,095	2,406	4,501	50
Interest and fiscal charges	(106,988)	(259,633)	(366,621)	0
Total Non-Operating Revenues (Expenses)	(68,135)	(211,680)	(279,815)	50
Income (loss) before contributions and transfers	260,902	(67,827)	193,075	50
Transfers to other funds	(4,200)	(21,601)	(25,801)	0
Transfers from other funds	23,000	640,698	663,698	0
Change in net position	\$279,702	\$551,270	830,972	50
Total Net Position - Beginning of Year	5,980,728	11,270,253	17,250,981	45,170
Total Net Position - End of Year	\$6,260,430	\$11,821,523	\$18,081,953	\$45,220

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

*Statement of Cash Flows
Proprietary Funds
Year Ended February 28, 2015*

	Business-type Activities Enterprise Fund			Governmental Activities
	Water Department	Sewer Department	Total	Internal Service Funds
Cash Flows From Operating Activities				
Cash received from customers	\$1,418,468	\$1,848,586	\$3,267,054	\$0
Cash paid to suppliers	(696,311)	(1,109,816)	(1,806,127)	0
Cash paid to employees	(172,919)	(123,381)	(296,300)	0
Net cash provided by operating activities	549,238	615,389	1,164,627	0
Cash Flows From Noncapital Financing Activities				
Transfer to other funds	(4,200)	(21,601)	(25,801)	0
Transfer from other funds	23,000	640,698	663,698	0
Net cash provided by noncapital financing activities	18,800	619,097	637,897	0
Cash Flows From Capital and Related Financing Activities				
Tap fees	36,758	45,547	82,305	0
Acquisition and construction of capital assets	0	(470,998)	(470,998)	0
Principal paid on contract payable	(172,500)	(427,500)	(600,000)	0
Principal paid on state revolving fund - sewer	0	(100,000)	(100,000)	0
Interest paid on revenue bonds and contract payable	(105,738)	(239,173)	(344,911)	0
Net cash provided (used) by capital and related financing activities	(241,480)	(1,192,124)	(1,433,604)	0
Cash Flows From Investing Activities				
Interest earned on cash investments	2,095	2,406	4,501	50
Net increase in cash and cash equivalents	328,653	44,768	373,421	50
Cash and cash equivalents - beginning of year	1,813,332	2,016,902	3,830,234	45,170
Cash and cash equivalents - end of year	<u>\$2,141,985</u>	<u>\$2,061,670</u>	<u>\$4,203,655</u>	<u>\$45,220</u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

*Reconciliation of Operating Activities to Cash Provided by Operating Activities
Proprietary Funds
Year Ended February 28, 2015*

	Business-type Activities			Governmental
	Enterprise Funds			Activities
	Water Department	Sewer Department	Total	Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$329,037	\$143,853	\$472,890	\$0
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expense	297,260	574,356	871,616	0
(Increase) decrease in Assets				
Receivables	(30,834)	(30,838)	(61,672)	0
Due from other funds	552	2,615	3,167	0
Due from other governments	0	135,610	135,610	0
Prepaid expenses	(127)	(164)	(291)	0
Increase (Decrease) in Liabilities				
Accounts payable	(9,018)	(180,265)	(189,283)	0
Accrued payroll	1,690	(196)	1,494	0
Due to other funds	(39,830)	(30,521)	(70,351)	0
Customer deposits	508	939	1,447	0
Total Adjustments	<u>220,201</u>	<u>471,536</u>	<u>691,737</u>	<u>0</u>
Net cash provided by operating activities	<u>\$549,238</u>	<u>\$615,389</u>	<u>\$1,164,627</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

*Statement of Assets and Liabilities
Fiduciary Funds
February 28, 2015*

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$34,235
Due from other funds	<u>364</u>
 Total Assets	 <u><u>\$34,599</u></u>
 Liabilities	
Due to other funds	\$11,823
Other liabilities	<u>22,776</u>
 Total Liabilities	 <u><u>\$34,599</u></u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

*Combined Statement of Net Position
Component Units
February 28, 2015*

	Downtown Development Authority	LDFA Water Plant	LDFA Global Alliance
Assets			
Cash and cash equivalents	\$34,725	\$210,418	\$1,459,349
Internal balances	(33)	0	0
Due from other governmental units	77,990	8,387	512,822
Restricted cash	0	0	100,096
Capital assets, net of accumulated depreciation	0	0	4,987,374
Total Assets	112,682	218,805	7,059,641
Liabilities			
Accounts payable	19,623	0	0
Accrued interest	0	0	41,838
Noncurrent liabilities:			
Due within one year	0	0	360,000
Due in more than one year (net of related discount)	0	0	3,335,600
Total Liabilities	19,623	0	3,737,438
Net Position			
Net investment in capital assets	0	0	1,277,374
Restricted for debt service	0	0	100,096
Unrestricted	93,059	218,805	1,944,733
Total Net Position(Deficit)	\$93,059	\$218,805	\$3,322,203

See accompanying notes to the basic financial statements

<u>Economic Development</u>	<u>Brownfield Redevelopment</u>	<u>Total</u>
\$60,322	\$736,854	\$2,501,668
(23,269)	0	(23,302)
74,740	38,881	712,820
187,737	0	287,833
<u>8,750,322</u>	<u>0</u>	<u>13,737,696</u>
9,049,852	775,735	17,216,715
0	0	19,623
0	0	41,838
0	0	360,000
<u>12,335,065</u>	<u>0</u>	<u>15,670,665</u>
12,335,065	0	16,092,126
(3,584,743)	0	(2,307,369)
239,208	775,735	1,115,039
<u>60,322</u>	<u>0</u>	<u>2,316,919</u>
<u>(\$3,285,213)</u>	<u>\$775,735</u>	<u>\$1,124,589</u>

VILLAGE OF DUNDEE

*Combined Statement of Activities
Component Units
Year Ended February 28, 2015*

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Downtown Development Authority				
Public Works	\$225,150	\$0	\$0	\$0
L DFA - Water Plant				
Public Works	700	0	0	0
L DFA - Global Alliance				
Public Works	157,858	0	0	0
Interest on long term debt	104,865	0	0	0
Total	<u>262,723</u>	<u>0</u>	<u>0</u>	<u>0</u>
Economic Development Corporation				
Public Works	278,353	0	0	0
Interest on long term debt	295,227	0	0	0
Total	<u>573,580</u>	<u>0</u>	<u>0</u>	<u>0</u>
Brownfield Redevelopment Corporation				
Public Works	<u>1,225</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total component units	<u>\$1,063,378</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		General revenues:		
		Property taxes		
		Interest		
		Other		
		Transfers		
		Total general revenues and transfers		
		Change in net position		
		Net position, beginning of year		
		Net position, end of year		

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets

Downtown Development Authority	LDFA Water Plant	LDFA Global Alliance	Economic Development	Brownfield Redevelopment	Total
(\$225,150)					(\$225,150)
	(\$700)				(700)
		(\$157,858) (104,865) <u>(262,723)</u>			(262,723)
			(\$278,353) (295,227) <u>(573,580)</u>		(573,580)
				(\$1,225)	(1,225)
(225,150)	(700)	(262,723)	(573,580)	(1,225)	(1,063,378)
125,659	0	1,086,086	60,363	48,607	1,320,715
126	257	1,451	280	798	2,912
4,432	0	0	0	0	4,432
(194,573)	(23,500)	(409,630)	134,215	0	(493,488)
(64,356)	(23,243)	677,907	194,858	49,405	834,571
(289,506)	(23,943)	415,184	(378,722)	48,180	(228,807)
382,565	242,748	2,907,019	(2,906,491)	727,555	1,353,396
<u>\$93,059</u>	<u>\$218,805</u>	<u>\$3,322,203</u>	<u>(\$3,285,213)</u>	<u>\$775,735</u>	<u>\$1,124,589</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 1 Description of the Village and Reporting Entity

The Village of Dundee is governed by a locally elected president and five member Council. The Village provides the following services: public works, public safety (police service), road construction, public improvements, planning and zoning, construction code inspections, water and sewer, economic development and general administrative services.

Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 "*The Financial Reporting Entity*", these financial statements present the Village of Dundee (the primary government) and its component units. The criteria established by the GASB for determining the reporting entity includes fiscal dependency and whether the financial statements would be misleading if the data were not included. The individual component units discussed below are included in the Village's reporting entity based on the nature of their operational or financial relationship to the Village.

Discretely Presented Component Units

The following component units are reported within the component units column in the combined financial statements. They are reported in a separate column to emphasize that they are legally separate from the Village. More detailed information on each component unit is disclosed in the other supplemental information section.

Downtown Development Authority

The Downtown Development Authority (DDA) is a legally separate entity created by the Village for the purpose of financing improvements to the downtown area funded by the Tax Incremental Financing Authority tax capture collections.

Local Development Finance Authority-Water Plant

The Local Development Finance Authority-Water Plant was created to account for the tax monies captured by the increase in property values of the Village Industrial Park which will be used to repay debt and finance other projects as determined by the Local Development Finance Authority Board of Directors.

Local Development Finance Authority-Global Engine Alliance

The Local Development Finance Authority-Global Engine Alliance was created to account for the tax monies captured by the increase in property values of the Global Engine Project Area which will be used to repay the debt issued to finance this project.

Economic Development Corporation

The Economic Development Corporation was created to encourage economic development within the Village.

Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority was created to assist in financing the clean-up and development of a Brownfield area by the use of the Tax Incremental Financing Authority tax capture collections.

Note 2 Summary of Significant Accounting Policies

The accounting principles of the Village of Dundee conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting standards.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 2 Summary of Significant Accounting Policies (Continued)

The following are the more significant of the Village's accounting policies.

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities which normally are supported by general government revenues (i.e., property taxes, revenue sharing, fines, permits, and charges) and intergovernmental revenues are reported separately from business-type activities which rely, to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by the related program revenues, operating and capital grants. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* must be directly associated with the function or business-type activity. Program revenues include 1) fines and forfeitures, licenses and permits fees, special assessments, and charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds and proprietary funds. Major governmental funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The statement of net position includes and recognizes all long-term assets and receivables as well as long-term debt obligations. The net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The Village's net position is reported in three parts:

- (1) Net investment in capital assets, consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition or improvement of this assets and increased by the balances of deferred outflows of resources related to those assets.
- (2) Restricted net position, net position is considered restricted if the use is constrained for a particular purpose. Restrictions are imposed by external organizations. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted use.
- (3) Unrestricted net position, consists of all other net position that does not meet the definition of the above two components.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 2 Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

On the governmental funds statements, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The basic financial statements include both government-wide (based on the Village as a whole) and fund financial statements. While the previous model emphasized Fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the Village as a whole or major individual funds (within the individual fund financial statements). Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Both the government-wide and fund financial statements categorize activities as either governmental or business-type activities.

In the government-wide Statement of Net Position, both the governmental, business-type activities, and Component units columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The Village reports the following major governmental funds:

General Fund

The General Fund is the primary operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Municipal Street Fund

The Municipal Street Fund is used to account for tax collections used for the street operations of the Village not provided for by Act 51 PA 1951.

Major Street Fund

The Major Street Fund accounts for gas and weight tax monies from the State of Michigan and expenditures for construction and maintenance of all major streets.

Local Street Fund

The Local Street Fund accounts for gas and weight tax monies from the State of Michigan and expenditures for construction and maintenance of all local streets.

Industrial Park and Equipment Purchase Fund

The Industrial Park and Equipment Purchase Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities and equipment.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 2 Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

The Village reports the following major proprietary fund:

Enterprise Funds

The Enterprise Funds are used to account for the operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses), including depreciation, of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Water and Sewage Disposal Fund are the only Enterprise Funds in this report.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the water and sewage disposal fund are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, amortization, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village reports the following nonmajor governmental funds:

Special Revenue Funds

Parks and Recreation Fund, Historical Commission Fund, and Building Department Fund.

Capital Improvement Funds

Economic Development Fund and Sewer Separation and Street Rehabilitation Fund.

Debt Service Funds

1994 Downtown Development Authority (LTGO) Bond Fund, 1998 General Obligation Fund, 1998 Special Assessment Fund, 2001 Special Assessment Fund, 2004 Installment Purchase Fund, 2004 Special Assessment Fund, 2005 Installment Purchase Vactor Fund, 2006 Capital Improvement General Obligation Fund, 2008 Pearl Street Special Assessment Fund, 2008 Oak/Plank Special Assessment Fund, 2013 Refunding General Obligation Fund, and 2014 Honeywell Installment Loan fund.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Additionally, the Village reports the following fund types:

Agency Funds

Agency Funds are used to account for assets held by the Village as an agent for individuals, private organizations, other governments, and/or other funds. These funds are reported in the fund financial statements only because they do not report resources under the control of the Village. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 2 Summary of Significant Accounting Policies (Continued)

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Village to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates

D. Assets, Liabilities, and Net Position

Cash and Cash Equivalents

The Village's cash and cash equivalents include cash and money management accounts, restricted cash and money management accounts, cash with fiscal agent, petty cash, and certificates of deposit with maturities of three months or less from the date of acquisition.

Due From Other Governments

Amounts due from other governments include amounts due from grantors for specific program and capital projects. Program grants and capital grants for fixed assets are recorded as receivables and revenues at the time the reimbursable project costs are incurred. Revenues received in advance of the project costs being incurred are recorded as deferred inflows/unearned revenues.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Additionally, the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

Restricted Assets

Restricted assets in the Enterprise Fund and the Component Units consist of amounts restricted for debt retirement or construction.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of at least \$5,000 and an estimated useful life in excess of two years. These 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. The cost of the normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phases of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year, no interest was capitalized.

Infrastructure assets acquired prior to March 1, 2004, except for the EDC infrastructure assets, have not been capitalized and are omitted from the basic financial statements.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 2 Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position (Continued)

Depreciation of all exhaustible capital assets used by the Village is charged as an expense against its various functions. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

	<u>Years</u>
Land improvements	15-33
Infrastructure (Streets, bridges, and ramps)	20-50
Building and building improvements	10-33
Police vehicles	3-5
DPW vehicles	5-20
Public safety equipment	5-20
Village office equipment	5-10
Water and sewer equipment	5-33
Water and sewer lines/systems	33-100

Works of Art, Historical Treasures, and Similar Assets

The Village has several historical artifacts and works of art that are presented for public exhibition, protected, kept unencumbered, cared for, and preserved by its Historical Commission. Village policy requires the proceeds from sales of collection items to be used to acquire other items for collections.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short term interfund loans are classified as “due to/from other funds”. These amounts are eliminated in the governmental activities column of the statement of net assets. Any residual balances outstanding between the governmental activities, the business-type activities, and the component units are reported in the government-wide financial statements as “internal balances”.

Accrued Liabilities and Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long term debt, notes, and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or component unit statement of net position.

In general, payables and accrued liabilities that once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans that are paid from governmental funds, are recognized as an expenditure on the governmental fund financial statements when due.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs during the current period. The face amount of the debt is reported as other financing sources. Premiums, discounts, and bond issuance costs are amortized over the life of the bond issue and reported in depreciation and amortization in the statement of activities.

Compensated Absences

Village employees are granted vacation and personal days under formulas and conditions in the employees contract or Village policy. The vacation and personal pay is accrued in the government-wide financial statements. In the fund financial statements, these amounts are reported when paid as wages.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 2 Summary of Significant Accounting Policies (Concluded)

D. Assets, Liabilities, and Net Position (Concluded)

Unearned Revenue

Unearned revenue arises when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received before the Village has a legal claim to them.

Deferred Inflows and Outflows of Resources

When an asset or liability is received, but the amounts are not measurable and available, the government will report a deferred outflow or inflow of resources until such time as amounts become measurable and available. This statement also identifies net position as the residual of all other elements presented in the statement of net position.

Fund Balance Non-spendable, Restricted, Committed, Assigned, and Unassigned

The fund balance is categorized as non-spendable, restricted, committed, assigned, or unassigned based on the relative strength of the spending constraints. The Village Council has the authority to place funds under the committed and assigned categories. Restricted resources should be used first, followed by committed funds, assigned amounts, and then unassigned amounts. The Village will maintain a minimum unassigned fund balance in its General Fund of no less than 15% of annual budgeted expenditures to be used for unexpected expenditures of a nonrecurring nature, unforeseen revenue shortfalls, meeting increased costs for service delivery, and/or to negate short-term borrowing for operating cash flows.

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. The components of net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net position is unrestricted when other net position does not meet the definition of net investment in capital assets or restricted and is available for general use. Restricted resources should be used first, followed by unrestricted amounts.

Note 3 Stewardship, Compliance, and Accountability

Budget Policy and Budgetary Accounting

Budgetary comparison schedules are required to be presented as Required Supplementary Information for the General Fund and each major Special Revenue Fund for which an annual budget has been adopted.

Under the new reporting model GASB Statement No. 34 the following information is to be reported:

- Original Budget
- Final Budget
- Actual inflows, outflows and balances on a budgetary basis

The Village has presented the General Fund and all major Special Revenue funds in the Budgetary Comparison Schedules as Required Supplementary Information.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 3 Stewardship, Compliance, and Accountability (Concluded)
Budget Policy and Budgetary Accounting (Concluded)

The Village has presented the nonmajor governmental funds in the Budgetary Comparison Schedules as Other Supplementary Information.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and Special Revenue Funds. The legal level of budgetary control is the department level. All unexpended appropriations lapse at fiscal year end. The Village does not utilize encumbrance accounting.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Village manager submits to the Village Council a proposed operating budget for the fiscal year beginning March 1.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to February, the budget is legally enacted through a council resolution.
4. Any revisions of the budget must be approved by a council resolution.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles.
6. Budgeted amounts are as originally adopted, or as amended by the Village Council.

Note 4 Deposits

Statutes authorize the Village to invest in obligations of the U.S. Treasury, agencies and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. Banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds may not be deposited in financial institutions located in states other than Michigan.

The Village believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Village evaluates each financial institution with which it deposits

Village funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Village of Dundee Council has adopted an investment policy and has authorized two depositories: Monroe Bank & Trust and Old National Bank.

Interest rate risk. The Village's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. The Village will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the Village's investment policy.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 4 Deposits (Concluded)

Concentration of credit risk. The Village does not have limits on the amount the Village may deposit in any one issuer. The Village adheres to the following four criteria, as listed in order of priority, in making investment decisions:

Safety: Safety of principal is the foremost objective of the Village's investment practices. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Diversification: The investments shall be diversified by specific maturity dates, individual financial institutions or specific classes of securities in order that the potential losses in individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity: The investment policy requires the investments to remain sufficiently liquid to meet all of the operating requirements that may be reasonably anticipated.

Return on Investment: Return on investment is of secondary importance compared to safety and liquidity criteria. Investments shall be selected to obtain a market average rate of return.

Custodial credit risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned or the Village will not be able to recover the collateral securities in the possession of an outside party. As of February 28, 2015, the carrying amount of deposits (cash, certificates of deposits, checking accounts, savings accounts and money markets) for the government and component units were \$8,623,367 and \$2,789,501, respectively. The combined bank balance was \$11,447,103. The Village's deposits are insured by the FDIC in the amount of \$481,278, with uninsured deposits of \$10,965,825. The Village Council approves and designates a list of authorized depository institutions. The Village's policy does not address custodial credit risk.

Foreign currency risk. The Village is not authorized to invest in investments which have this type of risk.

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

	Governmental Activities	Business-type Activities	Total Primary Government	Fiduciary Funds	Component Units
Cash and Cash Equivalents	\$4,419,711	\$3,656,525	\$8,076,236	\$34,235	\$2,501,668
Restricted Cash	-	547,131	547,131	-	287,833
	<u>\$4,419,711</u>	<u>\$4,203,656</u>	<u>\$8,623,367</u>	<u>\$34,235</u>	<u>\$2,789,501</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 5 Interfund Receivable, Payable and Transfers

Interfund receivable and payable balances as of February 28, 2015 were:

	Interfund Receivables	Interfund Payables
General Fund:		
Major Street Fund	\$15,788	
Local Street Fund	12,215	
Tax	7,534	
Water Fund	18,456	
Sewer Fund	22,974	
DDA Fund	33	
Trust & Agency	330	
EDC Debt	15,544	
EDC Construction	4,385	
Payroll Fund	36	
Payroll T & A		\$232
Industrial Park and Equipment Purchase Fund		5,000
Municipal Street Fund:		
EDC Debt Fund	7,725	
EDC Construction Fund	1,879	
Tax Collection Fund	2,862	
Major Street Fund:		
Local Street Fund	2,663	
General Fund		15,788
Local Street Fund:		
General Fund		12,215
Major Street Fund		2,663
Downtown Development Authority:		
General Fund		33
Tax Fund:		
General Fund		7,534
Municipal Street Fund		2,862
Industrial Park and Equipment Purchase Fund:		
General Fund	5,000	
Sewer Enterprise Fund		18,120
EDC Debt Fund:		
General Fund		15,544
Municipal Street Fund		7,725
EDC Construction Fund:		
General Fund		4,385
Municipal Street Fund		1,879
W/S T & A:		
Sewer Fund	66	574
Water Fund	66	487
Payroll Fund:		
General Fund		36
Water Fund:		
W/S T & A	487	66
Sewer Fund	324	39
General Fund		18,456
A/P T&A Fund:		
General Fund		330

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 5 Interfund Receivable, Payable and Transfers (Continued)

	Interfund Receivables	Interfund Payables
Payroll T & A Fund:		
General Fund	\$232	
Sewer Fund:		
General Fund		\$22,974
Building Department Fund		
Industrial Park/Equipment Purchase Fund	18,120	
Water Fund	39	324
W/S T & A Fund	574	66
	\$137,332	\$137,332

Interfund balances reflect temporary loans and reimbursements due in the normal course of interfund activity.

Interfund transfers were as follows:

Funds Transferred From	Funds Transferred To	Amount	
General Fund	EDC Construction Fund	\$5,928	(1)
	Parks and Recreation Fund	15,500	(2)
	Historical Commission Fund	32,000	(2)
	EDC Debt Fund	94,695	(1)
	2004 Installment Purchase (141 Riley)	10,601	(3)
	2005 Vector Installment Loan	17,337	(3)
	2013 Refunding General Obligation	191,310	(3)
	2006 Capital Improvement General Obligation	98,125	(3)
	2014 Honeywell Installment	42,602	(3)
Total General Fund		508,098	
Municipal Street Fund	EDC Construction Fund	\$2,540	(1)
	Major Street Fund	200,000	(4)
	EDC Debt Fund	39,520	(1)
	Local Street Fund	200,000	(4)
Total Municipal Street Fund		442,060	
Local Street Fund	2008 Special Assessment Bonds (Pearl Street)	\$21,706	(3)
	General Fund	5,200	(5)
	2008 Special Assessment Bonds (Oak/Plank)	8,963	(3)
Total Local Street Fund		35,869	

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 5 Interfund Receivable, Payable and Transfers (Concluded)

Funds Transferred From	Funds Transferred To	Amount	
Major Street Fund	General Fund	\$5,200	(6)
Building Fund	General Fund	10,000	(5)
Sewer Enterprise Fund	General Fund	4,200	(5)
	2014 Honeywell Installment Fund	<u>17,401</u>	(3)
Total Sewer Enterprise Fund		21,601	
Water Enterprise Fund	General Fund	4,200	(5)
LDFA #3 - Global Engine Alliance	General Fund	\$13,333	(5)
	LDFA #3 Debt Fund	469,362	(3)
	Sewer Enterprise Fund	<u>396,297</u>	(3)
Total LDFA #3 Fund		878,992	
Downtown Development Authority	1994 DDA LTGO Bonds	194,573	(3)
LDFA - Water Plant	General Fund	\$500	(5)
	Water Enterprise Fund	<u>23,000</u>	(3)
Total LDFA – Water Plant		23,500	
Industrial Park and Equipment Purchase Fund	Sewer Enterprise Fund	\$244,401	(6)
	2014 Honeywell Installment Fund	<u>14,091</u>	(3)
Total Industrial Park and Equipment Purchase Fund		258,492	
1998 Special Assessment Bonds (Stowell/Commerce)	2001 Special Assessment Bonds (Rawson)	<u>5,500</u>	(3)
Total		<u>\$2,388,085</u>	

The following describes the purpose of the transfers:

- (1) Transfers of tax revenues in accordance with provisions of the project financing and interlocal agreements between the Economic Development Corporation of the Village of Dundee and Cabela's, Inc.
- (2) Transfers of discretionary funds to be used for recreation and education
- (3) Transfer for debt service
- (4) Transfer for various street maintenance costs
- (5) Transfer for administrative expenses
- (6) Transfer for equipment maintenance and capital asset purchases

Note 6 Property Tax

The Village, under Public Act 3 of 1895, as amended, may levy up to 12.5 mills for general purposes, 5 mills for highways and streets, and 1 mill for cemetery maintenance. Taxes are levied on July 1, each year and are collected by the Village from July 1 to September 15.

The property tax revenue is recognized in the period that the tax was levied.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 6 Property Tax (Concluded)

The taxable value for both real and personal property as of December 31, 2013 amounted to \$162,145,836, which was based on a percentage of the fair market value of the assessed property. The 2014 tax roll consisted of the following millage rates.

6.9221 mills	General Fund
<u>2.8889</u> mills	Municipal Highway Fund
<u>9.8110</u> mills	

Note 7 Tax Increment Financing

Tax increment financing is the setting aside of the taxes generated by an increase in the state equalized value of designated properties for a specific purpose.

On May 31, 1988, the Village adopted a Tax Increment Financing Authority Plan for the Dundee Downtown Development District as allowed under the Downtown Development Authority Act, Act No. 197 of the Public Acts of 1975. This plan is devoted to the planned and orderly economic revitalization of the downtown business district. For the fiscal year ended February 28, 2015, the Downtown Development Fund recorded \$125,659 as property tax revenue generated from the downtown development district.

On February 20, 1990, the Village adopted a Local Development Finance Authority Plan (water plant) to help eliminate the causes of unemployment, underemployment, joblessness, and to promote economic growth in the Village, pursuant to Act No. 281 of the Public Acts of 1986. For the fiscal year ended February 28, 2015, the Local Development Finance Fund (Water Fund) recorded \$0 as property tax revenue generated from the industrial park area.

On May 29, 2003, the Village adopted a Local Development Finance Authority Plan (Global Engine Project) to repay the financing of improvements to utilities and roadways on Ty Circle Drive, Ann Arbor Road, and Dundee Azalia Road. These improvements were required to allow the construction of a \$240,000,000 facility by Global Engine Alliance, LLC. For the fiscal year ended February 28, 2015, the Local Development Finance Authority (Global Engine Project) recorded \$1,086,086 as property tax revenue generated from the properties under improvement.

The Village has adopted Brownfield Redevelopment Authority (Tecumseh Road) to assist in financing the clean-up and development of a Brownfield area. For the year ended February 28, 2015, the Authority recorded \$48,607 in property tax revenue.

Note 8 Due from Other Governments

Due from other governments in the Downtown Development, Local Development Finance Component Units, Economic Development, and the Brownfield Redevelopment Component Unit is a receivable for amounts billed pursuant to interlocal agreements with Monroe County and captured taxes from Dundee Township of \$655,831.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 9 Capital Assets

Capital asset activity for the year ended February 28, 2015 was as follows:

Primary Government

	Balance March 1, 2014	Additions	Deletions	Balance February 28, 2015
<u>Governmental Activities</u>				
Capital assets not depreciated:				
Land	\$574,044	\$0	\$0	\$574,044
Construction in process	192,028	255,332	447,360	0
Capital assets being depreciated				
Land improvements	106,686	0	0	106,686
Infrastructure, roads, drains, and storm sewers	15,860,068	505,923	0	16,365,991
Buildings	4,170,899	464,260	189,032	4,446,127
Improvements other than buildings	1,636,756	0	0	1,636,756
Equipment	447,291	0	0	447,291
Vehicles	757,341	0	0	757,341
Totals at historical cost	23,745,113	1,225,515	636,392	24,334,236
Less accumulated depreciation for				
Land improvements	(13,557)	(5,334)		(18,891)
Infrastructure, roads, drains, and storm sewers	(2,845,359)	(481,235)	0	(3,326,594)
Buildings	(1,191,178)	(112,465)	(59,902)	(1,243,741)
Improvements other than buildings	(816,978)	(50,761)	0	(867,739)
Equipment	(343,440)	(25,478)	0	(368,918)
Vehicles	(684,857)	(25,576)	0	(710,433)
Total accumulated depreciation	(5,895,369)	(700,849)	(59,902)	(6,536,316)
Net capital assets	\$17,849,744	\$524,666	\$576,490	\$17,797,920

Depreciation expense was charged to governmental functions as follows:

General government	\$562,751
Public safety	27,908
Public works	49,013
Culture and recreation	61,177
Total depreciation expense	\$700,849

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 9 Capital Assets (Continued)

	<u>Balance</u>			<u>Balance</u>
	<u>March 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>February 28, 2015</u>
<u>Business-type Activities</u>				
Capital assets not depreciated:				
Land	\$83,276	\$0	\$0	\$83,276
Construction in process	2,646,968	194,068	0	2,841,036
Capital assets being depreciated:				
Vehicles and equipment	463,744	32,530	0	496,274
Buildings and improvements	19,637,655	244,400	0	19,882,055
Water and sewer lines	12,607,986	0	0	12,607,986
Totals at historical costs	<u>35,439,629</u>	<u>470,998</u>	<u>0</u>	<u>35,910,627</u>
Less accumulated depreciation for:				
Vehicles and equipment	(402,456)	(15,537)	0	(417,993)
Buildings and improvements	(7,765,846)	(535,794)	0	(8,301,640)
Water and sewer lines	(4,353,547)	(320,284)	0	(4,673,831)
Total accumulated depreciation	<u>(12,521,849)</u>	<u>(871,615)</u>	<u>0</u>	<u>(13,393,464)</u>
Business-Type Activities - Net Capital Assets	<u>\$22,917,780</u>	<u>(\$400,617)</u>	<u>\$0</u>	<u>\$22,517,163</u>

Depreciation expense was charged to business-type functions as follows:

Water	\$297,259
Sewer	<u>574,356</u>
Total depreciation expense	<u>\$871,615</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 9 Capital Assets (Concluded)

Component Units

	Balance March 1, 2014	Additions	Deletions	Balance February 28, 2015
<u>Economic Development Corporation</u>				
Capital assets not depreciated:				
Land	\$3,300,000	\$0	\$0	\$3,300,000
Capital assets being depreciated:				
Water and sewer lines	2,396,074	0	0	2,396,074
Storm Sewers	1,830,690	0	0	1,830,690
Streets and ramps	4,827,935	0	0	4,827,935
Totals at historical costs	12,354,699	0	0	12,354,699
Less accumulated depreciation for:				
Water and sewer lines	(575,058)	(47,922)	0	(622,980)
Storm Sewers	(439,364)	(36,614)	0	(475,978)
Streets and ramps	(2,312,302)	(193,117)	0	(2,505,419)
Totals accumulated depreciation	(3,326,724)	(277,653)	0	(3,604,377)
EDC - Net Capital Assets	\$9,027,975	(\$277,653)	\$0	\$8,750,322
Depreciation expense charged to public works		\$277,653		
<u>L DFA #3 Global Engine Project</u>				
Capital assets not depreciated:				
Construction in process	\$0	\$0	\$0	\$0
Capital assets being depreciated:				
Infrastructure Improvements	6,267,513	0	0	6,267,513
Totals at historical costs	6,267,513	0	0	6,267,513
Less accumulated depreciation for:				
Improvements	(1,122,981)	(157,158)	0	(1,280,139)
L DFA #3 - Net Capital Assets	\$5,144,532	(\$157,158)	\$0	\$4,987,374
Depreciation expense charged to public works		\$157,158		

Note 10 Retirement Commitments

Plan Description

The Village of Dundee is in an agent multiple-employer defined benefit pension plan with the Municipal Employees Retirement System (MERS), administered by the State of Michigan. The Village's covered payroll for employees covered by the system for the year ended February 28, 2015 was \$492,735 out of a total of \$1,087,357.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 10 Retirement Commitments (Continued)

Plan Description (Concluded)

All full time Village employees are eligible to participate in MERS. Benefits vest after 10 years of service. Village employees who retire at or after age 60 with 10 years, age 55 with 15 years, and age 50 with 25 years of credited service are entitled to an annual retirement benefit of 2.0% of a member's 5 year final average compensation multiplied by the years of credited service not to exceed 30 years, payable until attainment of the age at which unreduced social security benefits are available (currently age 65 for normal retirement, gradually increasing to age 67). Upon attainment of this age, the benefit reverts to 1.7% of a member's 5 year final average compensation. The system also provides disability retirement allowance, non duty death allowance, duty connected death and post retirement adjustments. These benefit provisions and all other requirements are established and may be amended by state statute and Village council resolution.

The Municipal Employees Retirement System of Michigan issues a publically available financial report which may be obtained by writing to MERS, 447 North Canal Road, Lansing, Michigan, 48197.

Employees contribute 7.0% of their wages to the plan. The Village is required to contribute the remaining amounts necessary to fund the system, using the actuarial basis specified by State statute. The Village's annual required contribution was 12.24 % for the fiscal year ending February 28, 2015. The contribution requirements of plan members and the Village are established by the Village and by the MERS Board of Trustees. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age normal cost method.

Significant actuarial assumptions include: 1) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, 2) projected salary increases of 4.5% per year compounded annually, attributable to inflation, 3) additional projected salary increases ranging from 0.0% to 4.2% per year, depending on age, attributable to seniority/merit, and 4) the assumption that benefits will increase 2.5% per year (annually) after retirement.

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The Village's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over 30 years.

Contributions Required and Contributions Made

MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment were determined using an attained age actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years.

The contribution to MERS for the year ended February 28, 2015, of \$94,880 was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of December 31, 2013. The Village contributed \$60,311; employees contributed \$34,569 (7.0% current covered payroll). The Village's contribution rate has been adjusted to 14.13% effective March 1, 2015.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 10 Retirement Commitments (Concluded)
Contributions Required and Contributions Made (Concluded)
Three-year Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension Cost</u>	<u>Percentage of</u> <u>Annual Pension</u> <u>Cost Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2/29/13	\$80,469	100%	-
2/28/14	80,297	100%	-
2/28/15	60,311	100%	-

	<u>Valuation Ended December 31,</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Actuarial value of assets	\$2,886,660	\$2,812,920	\$2,745,465
Actuarial accrued liability (entry age)	3,670,981	3,705,841	3,758,122
Unfunded (overfunded) AAL	784,321	892,921	1,012,657
Funded ratio	78.5%	75.9%	73.1%
Annual covered payroll	529,871	498,769	517,931
UAAL as a percentage of annual covered payroll	148%	179%	206%

Note 11 Long-Term Debt
Following is a summary of changes in long-term debt:

	<u>Balance</u> <u>February 28,</u> <u>2014</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance</u> <u>February 28,</u> <u>2015</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
1993 Sewage Disposal System Limited Tax General Obligation bonds, bearing interest at 2%.	\$100,000	\$0	\$100,000	\$0	\$0
1998 Water Supply and Sewage Disposal System Revenue Bonds, bearing interest at 5.75%.	170,000	0	40,000	130,000	40,000

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 11 Long-Term Debt (Continued)

	<u>Balance February 28, 2014</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance February 28, 2015</u>	<u>Due Within One Year</u>
2008 Capital Improvement Limited Tax General Obligation Bonds, bearing interest from 3.00% to 4.50%	\$381,690	\$0	\$35,000	\$346,690	\$35,000
2009 Monroe County Sewage Disposal System Limited Tax General Obligation Bonds, bearing interest from 3.00% to 4.875%.	3,235,000	0	75,000	3,160,000	85,000
2010 Monroe County Water Limited Tax General Obligation Refunding Bonds, bearing interest from 2.00% to 4.25%.	2,695,000	0	135,000	2,560,000	145,000
2012 Monroe County Sewage Disposal System Limited Tax General Obligation Refunding Bonds, bearing interest at 2.42%.	<u>3,490,000</u>	<u>0</u>	<u>315,000</u>	<u>3,175,000</u>	<u>325,000</u>
Total Bonds and Contracts	10,071,690	0	700,000	9,371,690	630,000
Unamortized Issuance Discount	(63,784)	0	(4,442)	(59,342)	(4,442)
Compensated Absences	<u>6,655</u>	<u>7,124</u>	<u>6,655</u>	<u>7,124</u>	<u>6,655</u>
Total Business-type Activities	<u>10,014,561</u>	<u>7,124</u>	<u>702,213</u>	<u>9,319,472</u>	<u>632,213</u>
Refinanced Downtown Development Component Unit 1994 Downtown Development and Refunding Bonds, bearing interest at 4.55%.	190,000	0	190,000	0	0

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 11 Long-Term Debt (Continued)

	<u>Balance February 28, 2014</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance February 28, 2015</u>	<u>Due Within One Year</u>
2001 Special Assessment Limited Tax General Obligation Bonds bearing interest at 4.45%.	\$60,000	\$ 0	\$15,000	\$45,000	\$15,000
February 13, 2004 installment purchase agreement for purchase of building located at 141 Riley St., Dundee. Variable semiannual payments bearing an interest rate of 3.60%.	10,434	0	10,434	0	0
2005 Installment purchase with United Bank & Trust for the purchase of a 1998 Ford vector truck. Payments are made annually with interest at 4.145%.	32,000	0	16,000	16,000	16,000
2006 Capital Improvement Limited Tax General Obligation Bonds, bearing interest at 3.75% to 4.50%.	1,015,000	0	55,000	960,000	55,000
2008 Special Assessment Limited Tax General Obligation Bonds, (Pearl) bearing interest at 2.75% to 4.25%.	91,250	0	20,000	71,250	20,000

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 11 Long-Term Debt (Continued)

	<u>Balance February 28, 2014</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance February 28, 2015</u>	<u>Due Within One Year</u>
2008 Capital Improvement Limited Tax General Obligation Bonds, bearing interest at 2.75% to 4.50%	\$167,060	\$0	\$15,000	\$152,060	\$15,000
2008 Special Assessment Limited Tax General Obligation Bonds, (Oak/Plank) bearing interest at 4.50%.	270,000	0	25,000	245,000	25,000
2008 Capital Improvement Limited Tax General Obligation Bonds, bearing interest at 4.50%	85,000	0	5,000	80,000	5,000
2013 General Obligation Refund Bonds (Refunding 2005 G.O and 2007 G.O. Capital Improvement Limited Tax General Obligation Bonds, bearing interest at %	1,660,000	0	170,000	1,490,000	185,000
2014 Installment Purchase agreement with Pinnacle Public Finance for the purchase of energy improvements. Payments are made annually with Bonds, bearing interest from 3.1%	<u>727,441</u>	<u>0</u>	<u>54,240</u>	<u>673,201</u>	<u>39,134</u>
Total Bonds and Installment Obligations	4,308,185	0	575,674	3,732,511	375,134
Compensated Absences	<u>29,024</u>	<u>26,332</u>	<u>29,024</u>	<u>26,332</u>	<u>26,332</u>
Total Governmental Activities	<u>4,337,209</u>	<u>26,332</u>	<u>604,698</u>	<u>3,758,843</u>	<u>401,466</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 11 Long-Term Debt (Continued)

	<u>Balance February 28, 2014</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance February 28, 2015</u>	<u>Due Within One Year</u>
Economic Development Component Unit note payable to Cabela's Retail, Inc. Payments to be made annually starting 2003 and continuing for sixteen years. Payment amount is based on tax revenues.	\$12,335,065	\$0	\$0	\$12,335,065	\$0
Local Development Finance Authority Component Unit 2005 Global Engine Refunding Bonds, bearing interest from 3.50% to 4.50%. (Tax Exempt)	1,535,000	0	125,000	1,410,000	130,000
2004 Local Development Finance Authority-Component Unit Limited Tax General Obligation Bonds, bearing interest from 3.95% to 5.5%. (Federally Taxable)	165,000	0	165,000	0	0
2004 Local Development Finance Authority Monroe Bank & Trust Bonds, bearing interest from 4.00% to 5.00%. (Tax Exempt)	250,000	0	25,000	225,000	25,000
2013 Local Development Finance Authority Advance Refunding Monroe Bank & Trust Bonds, bearing interest from 1.25% to 3.75% (Tax Exempt)	<u>2,100,000</u>	<u>0</u>	<u>25,000</u>	<u>2,075,000</u>	<u>205,000</u>
Total Bonds and Contracts	16,385,065	0	340,000	16,045,065	360,000
Unamortized Issuance Discount	<u>(16,000)</u>	<u>0</u>	<u>(1,600)</u>	<u>(14,400)</u>	<u>(1,600)</u>
Total Component Unit	<u>16,369,065</u>	<u>0</u>	<u>338,400</u>	<u>16,030,665</u>	<u>358,400</u>
Total	<u>\$30,720,835</u>	<u>\$ 33,456</u>	<u>\$1,710,311</u>	<u>\$29,043,980</u>	<u>\$1,593,088</u>

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 11 Long-Term Debt (Continued)

Contract Liability for General Obligation Limited Tax Bonds - \$350,000 issue dated May 5, 1998, by the County of Monroe for the purpose of construction and improvements to the Village's Water Supply and Sewage Disposal System.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$40,000	\$5,555	\$45,555
2017	40,000	3,535	43,535
2018	50,000	1,263	51,263
	<u>\$130,000</u>	<u>\$10,353</u>	<u>\$140,353</u>

2008 Capital Improvement Limited Tax General Obligation Bonds, dated May 22, 2008 in aggregate principal amount of \$446,690 for the purpose of paying village portion of water and sewer lines down Pearl Street.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$35,000	\$14,028	\$49,028
2017	35,000	12,672	47,672
2018	35,000	11,272	46,272
2019	41,690	9,686	51,376
2020	40,000	7,950	47,950
2021	40,000	6,250	46,250
2022	40,000	4,500	44,500
2023	40,000	2,700	42,700
2024	40,000	900	40,900
	<u>\$346,690</u>	<u>\$69,958</u>	<u>\$416,648</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 11 Long-Term Debt (Continued)

Contract Liability for 2010 Monroe County Water Supply System Refunding Bonds dated July 15, 2010, in the aggregate principal amount of \$3,100,000 less discount of \$43,390 by the County of Monroe to advance refund 2001 Water Supply System Bonds.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$145,000	\$91,938	\$236,938
2017	145,000	87,587	232,587
2018	145,000	83,238	228,238
2019	205,000	77,731	282,731
2020	215,000	70,638	285,638
2021	225,000	62,937	287,937
2022	230,000	54,688	284,688
2023	240,000	45,725	285,725
2024	245,000	36,328	281,328
2025	245,000	26,681	271,681
2026	255,000	16,522	271,522
2027	265,000	5,631	270,631
	<u>\$2,560,000</u>	<u>\$659,644</u>	<u>\$3,219,644</u>

Advance Refunding of Sewer Bonds

On April 12, 2012, The Village issued \$3,530,000 in Monroe County Sewage Disposal System Refunding Bonds with a 2.42% interest rate. The Village issued the bonds to advance refund \$3,265,000 of the outstanding series 2004 Monroe County Sewage Disposal System (Village of Dundee System No.3) Limited Tax General Obligation Bonds with interest rates ranging from 4.25% to 5.00%. The Village used the net proceeds to purchase US Treasury Obligations. These securities were deposited into the County's irrevocable trust with escrow agent to pay future principal and interest on the refunded portion of the 2004 series bonds. As a result, that portion of the 2004 series bonds was considered defeased and the Village has removed the liability from its accounts. The defeased 2004 bonds were subsequently called on May 1, 2013 with the securities in the County's irrevocable trust with escrow agent.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 11 Long-Term Debt (Continued)

Contract Liability for 2012 Monroe County Sewage Disposal System Refunding Bonds dated April 12, 2012 in the aggregate principal amount of \$3,530,000 by the County of Monroe to advance refund \$3,265,000 of the 2004 Sewage Disposal System Limited Tax General Obligation Bonds.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$325,000	\$72,902	\$397,902
2017	330,000	64,977	394,977
2018	335,000	56,931	391,931
2019	345,000	48,702	393,702
2020	350,000	40,293	390,293
2021	360,000	31,702	391,702
2022	370,000	22,869	392,869
2023	385,000	13,734	398,734
2024	375,000	4,537	379,537
	<u>\$3,175,000</u>	<u>\$356,647</u>	<u>\$3,531,647</u>

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 11 Long-Term Debt (Continued)

2009 Monroe County Sewage Disposal System (Village of Dundee System No. 4) Limited Tax General Obligation Bonds dated May 27, 2009 in the aggregate amount of \$3,500,000 less discount of \$35,000 by the County of Monroe for the purpose of acquisition, construction, furnishing, and equipping of improvements to the existing storm and sanitary sewer facilities in the Village of Dundee.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$85,000	\$142,522	\$227,522
2017	90,000	139,460	229,460
2018	95,000	136,223	231,223
2019	95,000	132,826	227,826
2020	100,000	129,167	229,167
2021	110,000	125,043	235,043
2022	115,000	120,427	235,427
2023	125,000	115,263	240,263
2024	135,000	109,391	244,391
2025	145,000	102,916	247,916
2026	155,000	95,881	250,881
2027	165,000	88,281	253,281
2028	175,000	80,206	255,206
2029	190,000	71,538	261,538
2030	200,000	62,275	262,275
2031	210,000	52,406	262,406
2032	225,000	41,803	266,803
2033	240,000	30,469	270,469
2034	250,000	18,525	268,525
2035	255,000	6,215	261,215
	<u>\$3,160,000</u>	<u>\$1,800,837</u>	<u>\$4,960,837</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 11 Long-Term Debt (Continued)

2001 Special Assessment (Limited Tax General Obligation) Bonds dated November 1, 2001, in the aggregate amount of \$220,000 for the purpose of road replacement on Rawson Street.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$15,000	\$1,669	\$16,669
2017	15,000	1,001	16,001
2018	15,000	334	15,334
	<u>\$45,000</u>	<u>\$3,004</u>	<u>\$48,004</u>

2005 Capital Improvement (Limited Tax General Obligations) Bonds dated June 30, 2005 in the aggregate amount of \$1,925,000 for the purpose of construction of the new Village Hall.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	<u>\$16,000</u>	<u>\$672</u>	<u>\$16,672</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 11 Long-Term Debt (Continued)

2006 Capital Improvement (Limited Tax General Obligations) Bonds dated October 17, 2006 in the aggregate amount of \$1,300,000 for the purpose of paying all or part of the cost of acquiring and constructing riverwalk improvements along the east and west banks of the Raisin River, together with street scape improvements along M-50 and miscellaneous road improvements in the Village, including sidewalk, landscaping, lighting, parking, and site improvements.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$55,000	\$40,870	\$98,111
2017	60,000	38,497	98,497
2018	60,000	35,992	95,992
2019	65,000	33,351	98,351
2020	65,000	30,573	95,573
2021	70,000	27,653	97,653
2022	75,000	24,480	99,480
2023	75,000	21,161	96,161
2024	80,000	17,712	97,712
2025	85,000	14,041	99,041
2026	85,000	10,237	95,237
2027	90,000	6,301	96,301
2028	95,000	2,138	97,138
	\$960,000	\$303,006	\$1,265,247

2008 Special Assessment (Limited Tax General Obligation) Bonds dated May 22, 2008 in the aggregate amount of \$181,250 for the purpose of road replacement on Pearl Street.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$20,000	\$2,841	\$22,841
2017	20,000	2,091	22,091
2018	15,000	1,291	16,291
2019	16,250	691	16,941
	\$71,250	\$6,914	\$78,164

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 11 Long-Term Debt (Continued)

2008 Capital Improvement (Limited Tax General Obligation) Bonds dated May 22, 2008 in the aggregate amount of \$222,060 for the purpose of paying part of the cost of construction of road on Pearl Street.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$15,000	\$6,181	\$21,181
2017	15,000	5,600	20,600
2018	15,000	5,000	20,000
2019	17,060	4,338	21,398
2020	15,000	3,656	18,656
2021	15,000	3,019	18,019
2022	20,000	2,250	22,250
2023	20,000	1,350	21,350
2024	20,000	450	20,450
	<u>\$152,060</u>	<u>\$31,844</u>	<u>\$183,904</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 11 Long-Term Debt (Continued)

2008 Special Assessment (Limited Tax General Obligation) Bonds dated August 19, 2008 in the aggregate amount of \$370,000 for the purpose of road replacement on Oak/Plank Streets.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$25,000	\$10,463	\$35,463
2017	20,000	9,450	29,450
2018	25,000	8,433	33,433
2019	25,000	7,313	32,313
2020	25,000	6,188	31,188
2021	25,000	5,063	30,063
2022	25,000	3,937	28,937
2023	25,000	2,813	27,813
2024	25,000	1,687	26,687
2025	25,000	563	25,563
	<u>\$245,000</u>	<u>\$55,910</u>	<u>\$300,910</u>

2008 Capital Improvement (Limited Tax General Obligation) Bonds dated August 19, 2008 in the aggregate amount of \$105,000 for the purpose of road replacement on Oak/Plank Streets.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$5,000	\$3,487	\$8,487
2017	5,000	3,263	8,263
2018	5,000	3,037	8,037
2019	5,000	2,813	7,813
2020	10,000	2,475	12,475
2021	10,000	2,025	12,025
2022	10,000	1,575	11,575
2023	10,000	1,125	11,125
2024	10,000	675	10,675
2025	10,000	225	10,225
	<u>\$80,000</u>	<u>\$20,700</u>	<u>\$100,700</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 11 Long-Term Debt (Continued)

On July 18, 2013, the Village issued \$1,660,000 limited tax general obligation bonds with an average interest rate of 2.39 percent to advance refund \$1,035,000 of outstanding 2005 Capital Improvement Bonds (Limited Tax General Obligation) and \$565,000 of outstanding 2007 Capital Improvement Bonds (Limited Tax General Obligation). The net bond proceeds of \$1,627,682 (after payment of \$32,318 of issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with escrow agent to provide for the future debt service payments on the 2005 Capital Improvement Bonds and the 2007 Capital Improvement Bonds which were called on September 5, 2013 and November 1, 2013, respectively .

The Village completed the advance refunding to reduce the total debt service payments over the next 14 years by \$158,705 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$129,225.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$185,000	\$33,400	\$218,400
2017	185,000	28,979	213,979
2018	195,000	24,438	219,438
2019	200,000	19,718	219,718
2020	200,000	14,937	214,937
2021	210,000	10,038	220,038
2022	40,000	7,050	47,050
2023	45,000	6,035	51,035
2024	45,000	4,959	49,959
2025	45,000	3,884	48,884
2026	45,000	2,808	47,808
2027	45,000	1,733	46,733
2028	50,000	597	50,597
	<u>\$1,490,000</u>	<u>\$158,576</u>	<u>\$1,648,576</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 11 Long-Term Debt (Continued)

2014 Installment Purchase agreement with Pinnacle Public Finance Incorporated dated January 29, 2014 for \$727,441 to finance energy conservation improvements to be acquired from Honeywell International Incorporated.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$39,134	\$20,869	\$60,003
2017	40,347	19,656	60,003
2018	41,598	18,405	60,003
2019	42,887	17,116	60,003
2020	44,217	15,786	60,003
2021	45,587	14,416	60,003
2022	47,001	13,002	60,003
2023	48,458	11,545	60,003
2024	49,960	10,043	60,003
2025	51,509	8,494	60,003
2026	53,105	6,898	60,003
2027	54,751	5,252	60,003
2028	56,449	3,554	60,003
2029	58,198	1,805	60,003
	\$673,201	\$166,841	\$840,042

2005 Local development Finance Authority Global Engine Refunding Bonds (Village LDFA Tax Exempt) dated October 6, 2005 in the aggregate principal amount of \$2,210,000 for refinancing acquisition-construction of various infrastructure improvements to assist in the Global Engine Project.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$130,000	\$56,837	\$186,837
2017	135,000	51,538	186,538
2018	145,000	45,938	190,938
2019	150,000	40,037	190,037
2020	155,000	33,744	188,744
2021	160,000	27,050	187,050
2022	170,000	20,038	190,038
2023	180,000	12,375	192,375
2024	185,000	4,162	189,162
	\$1,410,000	\$291,719	\$1,701,719

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2015*

Note 11 Long-Term Debt (Continued)

2004 Local Development Finance Authority Global Engine Bonds (Limited Tax General Obligation) (Federally Taxable) dated June 1, 2004 in the aggregate principal amount of \$425,000 for the acquisition and construction of various infrastructure improvements to assist in the Global Engine Project.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$25,000	\$9,937	\$34,937
2017	25,000	8,813	33,813
2018	25,000	7,687	32,687
2019	25,000	6,563	31,563
2020	25,000	5,437	30,437
2021	25,000	4,313	29,313
2022	25,000	3,125	28,125
2023	25,000	1,875	26,875
2024	25,000	625	25,625
	<u>\$225,000</u>	<u>\$48,375</u>	<u>\$273,375</u>

On December 5, 2013, the Village issued \$2,100,000 limited tax general obligation bonds with an average interest rate of 3.11 percent to advance refund \$2,010,000 of outstanding 2004 Local Development Finance Authority Global Engine Bonds (Limited Tax General Obligation)(Federally Taxable). The net bond proceeds of \$2,063,754 (after payment of \$36,246 of issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with escrow agent to provide for the future debt service payments on the 2004 Series bonds which were called on May 1, 2014.

The Village completed the advance refunding to reduce the total debt service payments over the next 10 years by \$184,430 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$158,700.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2016	\$205,000	\$55,638	\$260,638
2017	210,000	52,625	262,625
2018	215,000	48,849	263,849
2019	225,000	44,053	269,053
2020	225,000	38,259	263,259
2021	235,000	31,464	266,464
2022	245,000	23,475	268,475
2023	250,000	14,562	264,562
2024	265,000	4,968	269,968
	<u>\$2,075,000</u>	<u>\$313,893</u>	<u>\$2,388,893</u>

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 11 Long-Term Debt (Concluded)

The annual requirements to pay principal and interest on the long-term debt outstanding at February 28, 2015, excluding compensated absences, are as follows:

Activities Business-type:

Fiscal Years	Enterprise Fund		
	Principal	Interest	Total
2016	\$630,000	\$326,947	\$956,947
2017	640,000	308,231	948,231
2018	660,000	288,927	948,927
2019	686,690	268,945	955,635
2020	705,000	248,049	953,049
2021-2025	3,465,000	886,590	4,351,590
2026-2030	1,405,000	420,334	1,825,334
2031-2035	1,180,000	149,417	1,329,417
	<u>\$9,371,690</u>	<u>\$2,897,440</u>	<u>\$12,269,130</u>

Governmental Activities:

Fiscal Years	Principal	Interest	Total
2016	\$375,134	\$120,452	\$495,586
2017	360,347	108,537	468,884
2018	371,598	96,930	468,528
2019	371,197	85,339	456,536
2020	359,217	73,615	432,832
2021-2030	1,262,514	221,271	1,483,785
2031-2035	632,504	41,323	673,827
	<u>\$3,732,511</u>	<u>\$747,467</u>	<u>\$4,479,978</u>

Component Units:

Fiscal Years	Principal	Interest	Total
2016	\$360,000	\$122,412	\$482,412
2017	370,000	112,976	482,976
2018	385,000	102,474	487,474
2019	400,000	90,652	490,652
2020	405,000	77,440	482,440
2021-2025	1,790,000	148,033	1,938,033
	<u>\$3,710,000</u>	<u>\$653,987</u>	<u>\$4,363,987</u>

The annual requirements to pay principal and interest on the long-term debt outstanding do not include requirements of the Economic Development Corporation's note payable to Cabela's Retail, Inc. Payment amounts are based on tax revenues and have not been determined.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 12 Enterprise Fund - Restricted Assets

Bond Ordinance No. 34 requires a minimum balance of \$1,000 to be on deposit in the Replacement Fund and \$8,000 to be on deposit in the Bond Reserve Fund. These requirements have been met.

Note 13 Segment Information for Enterprise Fund

The Village maintains one Enterprise Fund which provides water and sewer services to Village residents. Segment information for the year ended February 28, 2015 follows:

	<u>Combined</u>	<u>Water</u>	<u>Sewer</u>
Operating revenues	\$3,193,116	\$1,449,302	\$1,743,814
Depreciation and amortization	876,058	300,152	575,906
Operating income (loss)	472,890	329,037	143,853
Net income (loss) before contributions and transfers	193,075	260,902	(67,827)
Property and equipment additions	470,998	0	470,998
Bonds and contracts payables	9,312,349	2,768,454	6,543,895
Net working capital	4,057,858	2,160,266	1,897,592
Total assets	27,456,283	9,130,244	18,326,039
Total net position	18,081,954	6,260,431	11,821,523

Note 14 Accrued Compensated Absences

The Village has accrued liability to its employees for accumulated vested vacation benefits. The period begins and ends on the employee's anniversary date.

The Village accrued vacation pay of \$7,124 in the Water and Sewage Disposal Enterprise Fund at February 28, 2015. Vacation pay of approximately \$26,332 relating to the governmental activities is reported in the government-wide financial statements. The Village's employment policy allows for sick days to be carried forward.

Note 15 Contingent Liability - Unemployment Compensation

Effective January 1, 1975 political subdivisions became subject to the Michigan Employment Security Act. The Village of Dundee, instead of paying regular contributions to the State Unemployment Fund, elected to make reimbursement payments. The Village is self-insuring its contingent liability for reimbursement payments, by making appropriations to the Unemployment Compensation Fund. It is not possible to estimate the potential expense from future unemployment claims. During the year ended February 28, 2015, the Village paid \$0 in reimbursements to the Michigan Unemployment Insurance Agency.

Note 16 Contingent Liability - Federal and State Grants

During the past several years federal and state grants for various projects have been received that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 17 Excess of Expenditures over Appropriations

During the year ended February 28, 2015, the Village incurred the following instance of expenditures in excess of the amounts appropriated.

<u>Fund</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
Municipal Street Fund	\$41,300	\$44,367	\$(3,067)

Note 18 Risk Management

The Village is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (workman's compensation). The Village has purchased commercial insurance for property loss, torts, errors, omissions and employee injuries.

Note 19 Voluntary Separation Program

During the fiscal year ended February 28, 2010, the Village offered to eligible employees an opportunity to voluntarily terminate employment and receive a special retirement and benefit package outside of normal Village policy, and, if applicable, the provisions of it's union contract. Eligible employees were both union and non-union employees with twenty (20) years of service as of October 1, 2009, or who attain twenty (20) years of service during the period which began October 1, 2009 and closed February 28, 2010.

As an inducement to encourage eligible employees to participate in the Voluntary Separation Program the Village will continue health/medical, dental and vision insurance coverage on the same basis as provided to active union employees for employee, spouse, and eligible dependent children until employee and spouse is age sixty-five (65). Insurance coverage will not be provided to a terminated employee or spouse if the employee or spouse has other outside insurance coverage, or is eligible for other coverage.

As of February 28, 2010 five (5) employees had participated in the Voluntary Separation Program and, therefore, will be eligible to participate in the continued health insurance coverage. Of the five (5) terminated employees three (3) potentially will receive health insurance coverage for one (1) year and two (2) potentially will receive health insurance coverage for ten (10) years. The Village has estimated that the potential cost of providing health insurance coverage to the terminated employees (assuming that that remain in the Village's plan) will be approximately \$400,000.

Because the Village believes that the total cost of providing this continued health insurance coverage is not reasonably estimable, it has decided to expense the cost at the time the health insurance premium liabilities are incurred.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2015

Note 20 Consent Order Costs and Fine

The Village entered into a consent order with the State of Michigan Department of Natural Resources and Environment in an effort to comply with regulations related to its waste water treatment plant. This subjects the Village to continuing obligations under an enforceable compliance program. Under the compliance program the Village is required to take action to prevent, detect, report, and correct deficiencies in its waste water collection system. Any failure to comply with the consent order may subject the Village to future fines.

Because the Village does not believe that the costs and fines under this consent order are reasonably estimable, it has decided to expense the costs and fines at the time they are incurred.

Note 21 Subsequent Events

The Village's management evaluated subsequent events from February 28, 2015 through June 5, 2015, the date the financial statements were available to be issued.

VILLAGE OF DUNDEE

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$1,475,000	\$945,691	\$1,011,272	\$65,581
Licenses and permits:				
Business licenses and permits	58,025	58,025	61,656	3,631
State grants:				
State revenue sharing	294,800	294,800	313,401	18,601
Liquor license fees	4,300	4,300	4,675	375
Department of justice	0	0	3,648	3,648
	<u>299,100</u>	<u>299,100</u>	<u>321,724</u>	<u>18,976</u>
Fines and forfeits:				
Fines	40,900	30,000	31,384	1,384
Interest and rentals:				
Interest	9,500	9,500	5,855	(3,645)
Equipment rental	195,000	195,000	179,465	(15,535)
Building rental	4,200	4,200	3,150	(1,050)
	<u>208,700</u>	<u>208,700</u>	<u>188,470</u>	<u>(20,230)</u>
Other revenue:				
Other revenue	63,250	104,150	103,265	(885)
	<u>63,250</u>	<u>104,150</u>	<u>103,265</u>	<u>(885)</u>
Total Revenues	2,144,975	1,645,666	1,717,771	68,457
Expenditures				
Legislative:				
Village president and council	16,422	16,422	15,689	733
General government:				
Village manager	68,016	62,016	56,454	5,562
Attorney	5,000	5,000	6,848	(1,848)
Accounting	6,900	6,900	6,900	0
Clerk - staff	115,000	115,000	99,434	15,566
Treasurer	600	600	481	119
Village hall and grounds	69,500	69,500	32,832	36,668
	<u>265,016</u>	<u>259,016</u>	<u>202,949</u>	<u>56,067</u>

VILLAGE OF DUNDEE

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures (Concluded)				
Public safety:				
Police protection	\$398,643	\$486,287	\$484,753	\$1,534
Blight inspector	1,965	1,965	1,938	27
Street lights	135,000	135,000	127,877	7,123
Building safety - fire warden	725	725	691	34
Engineering	55,725	51,625	43,180	8,445
	592,058	675,602	658,439	17,163
Public works	315,962	298,617	259,034	39,583
Economic development	86,047	75,500	68,198	7,302
Insurance (Bonds & Liability)	26,000	26,000	25,236	764
 Total Expenditures	1,301,505	1,351,157	1,229,545	121,612
 Excess (Deficiency) of Revenues over Expenditures	843,470	294,509	488,226	190,069
 Other Financing Sources (Uses)				
Operating transfers in	110,433	110,433	42,633	(67,800)
Operating transfers out	(1,036,619)	(533,011)	(508,098)	24,913
Total Other Financing Sources (Uses)	(926,186)	(422,578)	(465,465)	(42,887)
 Net Change in Fund Balance	(82,716)	(128,069)	22,761	147,182
 Fund Balances - Beginning of Year	82,716	128,069	1,608,144	1,480,075
 Fund Balances - End of Year	\$0	\$0	\$1,630,905	\$1,627,257

VILLAGE OF DUNDEE

*Municipal Street Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$615,000	\$393,000	\$417,994	\$24,994
Interest	1,200	1,200	1,282	82
Other	0	0	13,396	13,396
Total Revenues	616,200	394,200	432,672	38,472
Expenditures				
Public works:				
Construction	15,000	40,000	43,367	(3,367)
Administration and engineering	1,300	1,300	1,000	300
Total Expenditures	16,300	41,300	44,367	(3,067)
Excess (Deficiency) of Revenues over Expenditures	599,900	352,900	388,305	35,405
Other Financing Sources (Uses)				
Operating transfers out	(812,457)	(601,457)	(442,060)	159,397
Net Change in Fund Balance	(212,557)	(248,557)	(53,755)	194,802
Fund Balance - Beginning of Year	212,557	248,557	1,174,779	926,222
Fund Balance - End of Year	\$0	\$0	\$1,121,024	\$1,121,024

VILLAGE OF DUNDEE

*Major Street Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State grants:				
Gas and weight tax	\$180,000	\$180,000	\$223,833	\$43,833
Interest	700	700	720	20
Other	2,939	27,939	41,213	13,274
Total Revenues	<u>183,639</u>	<u>208,639</u>	<u>265,766</u>	<u>57,127</u>
Expenditures				
Public works:				
Construction	140,160	319,160	244,655	74,505
Routing maintenance - roads and streets	158,700	158,700	139,506	19,194
Traffic services - maintenance	6,642	6,642	2,171	4,471
Winter maintenance	26,612	26,612	42,203	(15,591)
Roadside parks and parkways	73,301	63,301	35,605	27,696
Administration, engineering and recordkeeping	34,742	34,742	31,511	3,231
Total Expenditures	<u>440,157</u>	<u>609,157</u>	<u>495,651</u>	<u>113,506</u>
Excess (Deficiency) of Revenues over Expenditures	(256,518)	(400,518)	(229,885)	170,633
Other Financing Sources (Uses)				
Operating transfers in	262,157	262,157	200,000	(62,157)
Operating transfer out	(21,600)	(21,600)	(5,200)	16,400
Total Other Financing Sources (Uses)	<u>240,557</u>	<u>240,557</u>	<u>194,800</u>	<u>(45,757)</u>
Net Change in Fund Balance	(15,961)	(159,961)	(35,085)	124,876
Fund Balance - Beginning of Year	15,961	159,961	703,889	543,928
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$668,804</u>	<u>\$668,804</u>

VILLAGE OF DUNDEE

*Local Street Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State grants:				
Gas and weight tax	\$62,000	\$62,000	\$87,021	\$25,021
Interest	400	400	201	(199)
Other revenues	<u>10,378</u>	<u>35,621</u>	<u>52,915</u>	<u>17,294</u>
Total Revenues	72,778	98,021	140,137	42,116
Expenditures				
Public works:				
Construction - contractual services	103,715	313,915	271,066	42,849
Routing maintenance - roads and streets	150,254	150,254	142,386	7,868
Traffic services - maintenance	1,260	1,260	273	987
Winter maintenance	24,712	24,712	38,213	(13,501)
Administration, engineering and recordkeeping	<u>45,907</u>	<u>45,907</u>	<u>38,345</u>	<u>7,562</u>
Total Expenditures	<u>325,848</u>	<u>536,048</u>	<u>490,283</u>	<u>45,765</u>
Excess (Deficiency) of Revenues over Expenditures	(253,070)	(438,027)	(350,146)	87,881
Other Financing Sources (Uses)				
Operating transfers in	284,600	284,600	200,000	(84,600)
Operating transfers out	<u>(52,269)</u>	<u>(52,269)</u>	<u>(35,869)</u>	<u>16,400</u>
Total Other Financing Sources (Uses)	<u>232,331</u>	<u>232,331</u>	<u>164,131</u>	<u>(68,200)</u>
Net Change in Fund Balance	(20,739)	(205,696)	(186,015)	19,681
Fund Balance - Beginning of Year	<u>20,739</u>	<u>205,696</u>	<u>239,314</u>	<u>33,618</u>
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$53,299</u>	<u>\$53,299</u>

VILLAGE OF DUNDEE

*General Fund
Detailed Statement of Expenditures
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Village president and council:				
President's fees/council fees	\$14,000	\$14,000	\$13,328	\$672
FICA expense	1,072	1,072	1,020	52
Travel/conferences	200	200	85	115
Telephone	600	600	600	0
Miscellaneous	550	550	656	(106)
	<u>16,422</u>	<u>16,422</u>	<u>15,689</u>	<u>733</u>
Village manager:				
Manager's salary	42,024	42,024	40,483	1,541
Intern wages	6,000	0	0	0
FICA expense	3,674	3,674	3,095	579
Life insurance	468	468	59	409
Retirement	5,100	5,100	4,935	165
Supplies and postage	250	250	581	(331)
Conference and seminars	3,000	3,000	721	2,279
Telephone	3,500	3,500	2,366	1,134
Travel expense	2,500	2,500	17	2,483
Dues	1,000	1,000	1,284	(284)
Miscellaneous	500	500	2,913	(2,413)
	<u>68,016</u>	<u>62,016</u>	<u>56,454</u>	<u>5,562</u>
Clerk-elections	500	500	0	500
Attorney:				
Legal advisor	5,000	5,000	6,848	(1,848)
Accounting	6,900	6,900	6,900	0
Clerk-staff:				
Fees elected	2,300	2,300	2,210	90
Wages clerical	56,000	56,000	48,892	7,108
FICA expense	4,460	4,460	3,947	513
Hospitalization insurance	16,000	16,000	12,996	3,004
Life insurance	210	210	175	35
Retirement contribution	6,200	6,200	6,085	115
Supplies	6,000	6,000	5,739	261
Computer/software costs	2,000	2,000	1,675	325
Contractual	2,000	2,000	1,280	720
Telephone	2,500	2,500	2,043	457
Equipment maintenance	10,600	10,600	9,251	1,349

VILLAGE OF DUNDEE

*General Fund
Detailed Statement of Expenditures
Budget and Actual (Continued)
Year Ended February 28, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Clerk-staff (concluded):				
Publishing	\$3,100	\$3,100	\$2,918	\$182
Conferences and training	200	200	55	145
Miscellaneous	1,775	1,775	1,963	(188)
Dues	155	155	205	(50)
Capital outlay	1,000	1,000	0	1,000
	<u>114,500</u>	<u>114,500</u>	<u>99,434</u>	<u>15,066</u>
Treasurer:				
Supplies	300	300	209	91
Tax bill preparation	300	300	272	28
	<u>600</u>	<u>600</u>	<u>481</u>	<u>119</u>
Village hall and grounds:				
Utilities	16,000	16,000	13,864	2,136
Repairs and maintenance	53,500	53,500	18,968	34,532
	<u>69,500</u>	<u>69,500</u>	<u>32,832</u>	<u>36,668</u>
Police protection:				
Police salaries	305,960	366,960	374,088	(7,128)
FICA expense	23,406	30,000	28,487	1,513
Retirement	0	2,500	2,109	391
Supplies	6,173	6,173	5,984	189
Computer/software costs	6,180	6,180	4,408	1,772
Legal expenses	4,000	4,000	4,000	0
Auto maintenance	8,000	10,500	10,514	(14)
Gas and oil	25,000	25,000	21,660	3,340
Conference & training	2,000	3,350	3,310	40
Radio maintenance	300	0	0	0
Telephone	5,524	5,524	5,325	199
Utilities	1,700	6,200	6,783	(583)
Miscellaneous	5,400	11,400	9,758	1,642
Uniform expense	5,000	8,500	8,327	173
	<u>398,643</u>	<u>486,287</u>	<u>484,753</u>	<u>1,534</u>

VILLAGE OF DUNDEE

General Fund
 Detailed Statement of Expenditures
 Budget and Actual (Continued)
 Year Ended February 28, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Blight inspector:				
Fees	\$1,800	\$1,800	\$1,800	\$0
FICA expense	140	140	138	2
Supplies	25	25	0	25
	<u>1,965</u>	<u>1,965</u>	<u>1,938</u>	<u>27</u>
Street lighting:				
Street lights	135,000	135,000	127,877	7,123
Building safety - fire warden:				
Inspectors' fees	650	650	642	8
FICA expense	50	50	49	1
Supplies	25	25	0	25
	<u>725</u>	<u>725</u>	<u>691</u>	<u>34</u>
Engineering:				
Wages	16,000	16,000	10,232	5,768
FICA expense	1,224	1,224	783	441
Hospitalization insurance	23,000	23,000	22,056	944
Life insurance	101	101	113	(12)
Retirement	1,600	1,600	1,200	400
Supplies	1,000	500	760	(260)
Computer/software costs	6,500	4,000	3,745	255
Conferences and training	1,000	300	135	165
Telephone	1,300	1,300	1,036	264
Equipment	2,900	2,900	2,222	678
Travel expense	100	200	0	200
Miscellaneous	1,000	500	898	(398)
	<u>55,725</u>	<u>51,625</u>	<u>43,180</u>	<u>8,445</u>

VILLAGE OF DUNDEE

General Fund
 Detailed Statement of Expenditures
 Budget and Actual (Concluded)
 Year Ended February 28, 2015

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Public works:				
Maintenance wages	\$71,400	\$71,400	\$77,806	(\$6,406)
FICA expense	5,463	5,463	5,952	(489)
Hospitalization insurance	53,404	53,404	35,339	18,065
Life insurance	250	250	149	101
Retirement	40,000	40,000	39,603	397
Office supplies	1,500	1,500	350	1,150
Conferences and training	500	500	1,460	(960)
Telephone	3,400	3,400	3,225	175
Gas and oil	22,000	22,000	23,326	(1,326)
Utilities	7,000	7,000	10,485	(3,485)
Building maintenance	18,000	18,000	10,011	7,989
Equipment maintenance	67,000	67,000	40,553	26,447
Tree trimming & tree purchases	2,000	2,000	3,135	(1,135)
Sanitation	1,200	1,200	1,311	(111)
Miscellaneous	1,000	1,000	809	191
Uniform expense	3,000	3,000	3,645	(645)
New equipment	18,845	1,500	1,875	(375)
	<u>315,962</u>	<u>298,617</u>	<u>259,034</u>	<u>39,583</u>
Economic development:				
Contractual services	15,000	15,000	6,630	8,370
Community promotion	17,000	17,000	23,408	(6,408)
Legal	0	0	2,871	(2,871)
Dues	2,800	2,800	2,513	287
Grounds	30,000	30,000	22,208	7,792
Supplies	100	100	0	100
Publishing	500	500	168	332
Advertising	10,000	10,000	10,000	0
Miscellaneous	100	100	400	(300)
Capital Outlay	10,547	0	0	0
	<u>86,047</u>	<u>75,500</u>	<u>68,198</u>	<u>7,302</u>
Insurance (Bonds & Liability)	<u>26,000</u>	<u>26,000</u>	<u>25,236</u>	<u>764</u>
Total Expenditures	<u>\$1,301,505</u>	<u>\$1,351,157</u>	<u>\$1,229,545</u>	<u>\$121,612</u>

VILLAGE OF DUNDEE

Combining Balance Sheet
 Nonmajor Governmental Funds
 February 28, 2015

	Special Revenue Funds			Capital Project Funds	
	Parks and Recreation	Historical Commission	Building Department	Economic Development	Sewer Separation and Street Rehabilitation
Assets					
Cash and cash equivalents	\$2,886	\$851	\$79,137	\$332,935	\$4,068
Receivables:					
Accounts	0	0	975	0	0
Delinquent taxes	0	0	0	0	0
Special assessments	0	0	0	0	0
Due from other funds	0	0	0	0	0
Prepaid insurance	0	128	868	0	0
Total Assets	<u>\$2,886</u>	<u>\$979</u>	<u>\$80,980</u>	<u>\$332,935</u>	<u>\$4,068</u>
Liabilities					
Accounts payable/retainage	\$0	\$474	\$2,446	\$0	\$1,395
Accrued wages	0	0	979	0	0
Due to other funds	0	0	0	6,264	0
Customer deposits	0	0	2,871	0	0
Total Liabilities	0	474	6,296	6,264	1,395
Deferred Inflows of Resources					
Special assessments	0	0	0	0	0
Fund Balance					
Nonspendable:					
Prepaid items	0	128	868	0	0
Restricted for:					
Building code enforcement	0	0	73,816	0	0
Assigned to:					
Culture and recreation	2,886	377	0	0	0
Special projects	0	0	0	0	2,673
Community and economic development	0	0	0	326,671	0
Debt service	0	0	0	0	0
Total Fund Balances	<u>2,886</u>	<u>505</u>	<u>74,684</u>	<u>326,671</u>	<u>2,673</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$2,886</u>	<u>\$979</u>	<u>\$80,980</u>	<u>\$332,935</u>	<u>\$4,068</u>

Debt Service Funds

1994 DDA LTGO Bonds	1998 G.O. Bonds	1998 Special Assessment Bonds	2001 Special Assessment Bonds	2004 Installment Purchase	2004 Special Assessment Bonds	2005 Vactor Installment Loan	2006 Capital Improvement G.O. Bonds	2008 Pearl St Assessment Bonds	2008 S.A./LTGO Oak/Plank Bonds	2013 Refunding G.O. Bonds	2014 Honeywell Installment	Total Nonmajor Governmental Funds
\$2,050	\$7,980	\$19,230	\$17,995	\$0	\$14,663	\$0	\$1,014	\$35,661	\$88,167	\$1,878	\$14,091	\$622,606
0	0	0	0	0	0	0	0	0	0	0	0	975
0	0	0	427	0	0	0	0	3,758	3,044	0	0	7,229
0	0	0	17,701	0	0	0	0	43,125	187,976	0	0	248,802
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	996
<u>\$2,050</u>	<u>\$7,980</u>	<u>\$19,230</u>	<u>\$36,123</u>	<u>\$0</u>	<u>\$14,663</u>	<u>\$0</u>	<u>\$1,014</u>	<u>\$82,544</u>	<u>\$279,187</u>	<u>\$1,878</u>	<u>\$14,091</u>	<u>\$880,608</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,315
0	0	0	0	0	0	0	0	0	0	0	0	979
0	0	0	0	0	0	0	0	0	0	0	0	6,264
0	0	0	0	0	0	0	0	0	0	0	0	2,871
0	0	0	0	0	0	0	0	0	0	0	0	14,429
0	0	0	6,794	0	0	0	0	27,500	166,124	0	0	200,418
0	0	0	0	0	0	0	0	0	0	0	0	996
0	0	0	0	0	0	0	0	0	0	0	0	73,816
0	0	0	0	0	0	0	0	0	0	0	0	3,263
0	0	0	0	0	0	0	0	0	0	0	0	2,673
0	0	0	0	0	0	0	0	0	0	0	0	326,671
2,050	7,980	19,230	29,329	0	14,663	0	1,014	55,044	113,063	1,878	14,091	258,342
2,050	7,980	19,230	29,329	0	14,663	0	1,014	55,044	113,063	1,878	14,091	665,761
<u>\$2,050</u>	<u>\$7,980</u>	<u>\$19,230</u>	<u>\$36,123</u>	<u>\$0</u>	<u>\$14,663</u>	<u>\$0</u>	<u>\$1,014</u>	<u>\$82,544</u>	<u>\$279,187</u>	<u>\$1,878</u>	<u>\$14,091</u>	<u>\$880,608</u>

VILLAGE OF DUNDEE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended February 28, 2015

	Special Revenue Funds			Capital Project Funds	
	Parks and Recreation	Historical Commission	Building Department	Economic Development	Sewer Separation and Street Rehabilitation
Revenues					
Special assessments	\$0	\$0	\$0	\$0	\$0
Interest and rentals	2	10,506	104	363	5
Licenses and permits	0	0	133,443	0	0
Other revenues	10,590	11,307	0	0	0
Total Revenues	10,592	21,813	133,547	363	5
Expenditures					
Public safety	0	0	152,567	0	0
Culture and recreation	24,880	72,353	0	0	0
Debt service	0	0	0	0	0
Total Expenditures	24,880	72,353	152,567	0	0
Excess (Deficiency) of Revenues over Expenditures	(14,288)	(50,540)	(19,020)	363	5
Other Financing Sources (Uses)					
Operating transfers in	15,500	32,000	0	8,468	0
Operating transfers (out)	0	0	(10,000)	0	0
Total Other Financing Sources (Uses)	15,500	32,000	(10,000)	8,468	0
Net Change in Fund Balances	1,212	(18,540)	(29,020)	8,831	5
Fund Balances - Beginning of Year	1,674	19,045	103,704	317,840	2,668
Fund Balances - End of Year	\$2,886	\$505	\$74,684	\$326,671	\$2,673

Debt Service Funds

1994 DDA LTGO Bonds	1998 G.O. Bonds	1998 Special Assessment Bonds	2001 Special Assessment Bonds	2004 Installment Purchase	2004 Special Assessment Bonds	2005 Vector Installment Loan	2006 Capital Improvement G.O. Bond	Pearl St Assessment Bonds	2008 S.A./LTGO Oak/Plank Bonds	2013 Refunding G.O. Bond	2014 Honeywell Installment	Total Nonmajor Governmental Funds
\$0	\$0	\$0	\$14,270	\$0	\$0	\$0	\$0	\$14,375	\$20,884	\$0	\$0	\$49,529
10	2	11	1,849	0	16	0	3	2,949	12,092	14	0	27,926
0	0	0	0	0	0	0	0	0	0	0	0	133,443
0	0	0	0	0	0	0	0	0	0	0	0	21,897
10	2	11	16,119	0	16	0	3	17,324	32,976	14	0	232,795
0	0	0	0	0	0	0	0	0	0	0	0	152,567
0	0	0	0	0	0	0	0	0	0	0	0	97,233
194,447	0	0	17,587	10,601	0	17,337	98,111	44,871	45,810	216,298	60,003	705,065
194,447	0	0	17,587	10,601	0	17,337	98,111	44,871	45,810	216,298	60,003	954,865
(194,437)	2	11	(1,468)	(10,601)	16	(17,337)	(98,108)	(27,547)	(12,834)	(216,284)	(60,003)	(722,070)
194,573	0	0	5,500	10,601	0	17,337	98,125	21,706	8,963	191,310	74,094	678,177
0	0	(5,500)	0	0	0	0	0	0	0	0	0	(15,500)
194,573	0	(5,500)	5,500	10,601	0	17,337	98,125	21,706	8,963	191,310	74,094	662,677
136	2	(5,489)	4,032	0	16	0	17	(5,841)	(3,871)	(24,974)	14,091	(59,393)
1,914	7,978	24,719	25,297	0	14,647	0	997	60,885	116,934	26,852	0	725,154
\$2,050	\$7,980	\$19,230	\$29,329	\$0	\$14,663	\$0	\$1,014	\$55,044	\$113,063	\$1,878	\$14,091	\$665,761

VILLAGE OF DUNDEE

*Parks and Recreation Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$5	\$5	\$2	(\$3)
Other revenue	7,800	12,300	10,590	(1,710)
Total Revenues	7,805	12,305	10,592	(1,713)
Expenditures				
Culture and recreation:				
Audit fees	800	800	800	0
Building maintenance	850	1,650	1,404	246
Programs	6,400	10,400	12,393	(1,993)
Park maintenance	11,200	11,200	5,181	6,019
Contractual	5,000	4,200	2,393	1,807
Utilities	2,000	2,500	2,709	(209)
Miscellaneous	500	500	0	500
Total Expenditures	26,750	31,250	24,880	6,370
Excess (Deficiency) of				
Revenues over Expenditures	(18,945)	(18,945)	(14,288)	4,657
Other Financing Sources (Uses)				
Operating transfers in	18,945	18,945	15,500	(3,445)
Net Change in Fund Balance	0	0	1,212	1,212
Fund Balance - Beginning of Year	1,674	1,674	1,674	0
Fund Balance - End of Year	<u>\$1,674</u>	<u>\$1,674</u>	<u>\$2,886</u>	<u>\$1,212</u>

VILLAGE OF DUNDEE

*Historical Commission Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest and rentals:				
Interest	\$5	\$5	\$6	\$1
Rentals	10,000	10,000	10,500	500
Other revenue	7,200	11,250	11,307	57
Total Revenues	17,205	21,255	21,813	558
Expenditures				
Culture and recreation:				
Wages	12,000	16,000	16,025	(25)
FICA expense	919	1,225	1,226	(1)
Professional services	800	800	800	0
Bonds and insurance	175	175	283	(108)
Telephone & utilities	15,650	19,800	20,528	(728)
Building maintenance	15,000	35,000	31,589	3,411
Sanitation	2,400	2,400	1,902	498
Miscellaneous	50	50	0	50
Total Expenditures	46,994	75,450	72,353	3,097
Excess (Deficiency) of				
Revenues over Expenditures	(29,789)	(54,195)	(50,540)	3,655
Other Financing Sources (Uses)				
Operating transfers in	29,789	54,195	32,000	(22,195)
Net Change in Fund Balance	0	0	(18,540)	(18,540)
Fund Balance - Beginning of Year	19,045	19,045	19,045	0
Fund Balance - End of Year	\$19,045	\$19,045	\$505	(\$18,540)

VILLAGE OF DUNDEE

*Building Department Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Building fees	\$80,000	\$80,000	\$72,070	(\$7,930)
Electrical fees	10,000	17,500	16,799	(701)
Plumbing fees	5,000	12,000	11,898	(102)
Mechanical fees	7,000	19,500	19,425	(75)
Registration fees	2,200	2,200	2,035	(165)
Rental ordinance fee	0	3,200	4,575	1,375
Planning review fees	1,000	500	1,975	1,475
Zoning board authority fees	700	2,200	2,250	50
Interest	150	100	104	4
Other income	2,400	1,210	2,416	1,206
Total Revenues	108,450	138,410	133,547	(4,863)
Expenditures				
Public safety:				
Building department expenses	2,600	4,750	4,688	62
Building inspector	82,657	87,867	85,939	1,928
Electrical inspector	5,433	24,833	23,817	1,016
Mechanical inspector	5,483	21,583	21,546	37
Plumbing inspector	2,361	9,911	9,213	698
Zoning board of appeals	1,089	1,089	1,511	(422)
Planning commission	4,167	4,167	5,853	(1,686)
Total Expenditures	103,790	154,200	152,567	1,633
Excess (Deficiency) of				
Revenues over Expenditures	4,660	(15,790)	(19,020)	(3,230)
Other Financing Sources (Uses)				
Operating transfer (out)	(10,000)	(10,000)	(10,000)	0
Net Change in Fund Balance	(5,340)	(25,790)	(29,020)	(3,230)
Fund Balance - Beginning of Year	5,340	25,790	103,704	77,914
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$74,684</u>	<u>\$74,684</u>

VILLAGE OF DUNDEE

*Industrial Park/Equipment Purchase Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest	\$600	\$600	\$516	(\$84)
Total Revenues	600	600	516	(84)
Expenditures				
Capital outlay:				
Department of public works & village hall	0	0	255,332	(255,332)
Water, sewer, and road system expansion	300,000	300,000	0	300,000
Total Expenditures	300,000	300,000	255,332	44,668
Excess (Deficiency) of Revenues over Expenditures	(299,400)	(299,400)	(254,816)	44,584
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	0	0	74,530	74,530
Bond proceeds	300,000	300,000	0	(300,000)
Operating transfers out	0	0	(258,492)	(258,492)
Total Other Financing Sources (Uses)	300,000	300,000	(183,962)	(483,962)
Net Change in Fund Balance	600	600	(438,778)	(439,378)
Fund Balance - Beginning of Year	954,604	954,604	954,604	0
Fund Balance - End of Year	<u>\$955,204</u>	<u>\$955,204</u>	<u>\$515,826</u>	<u>(\$439,378)</u>

VILLAGE OF DUNDEE

*Economic Development Corporation - Construction Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$350	\$350	\$363	\$13
Expenditures				
Capital outlay	16,350	16,350	0	16,350
Excess (Deficiency) of Revenues over Expenditures	(16,000)	(16,000)	363	16,363
Other Financing Sources (Uses)				
Operating transfers in	16,000	16,000	8,468	(7,532)
Net Change in Fund Balance	0	0	8,831	8,831
Fund Balance - Beginning of Year	317,840	317,840	317,840	0
Fund Balance - End of Year	<u>\$317,840</u>	<u>\$317,840</u>	<u>\$326,671</u>	<u>\$8,831</u>

VILLAGE OF DUNDEE

*Sewer Separation and Street Rehabilitation Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$5	\$5	\$5	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	5	5	5	0
Fund Balance - Beginning of Year	<u>2,668</u>	<u>2,668</u>	<u>2,668</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$2,673</u></u>	<u><u>\$2,673</u></u>	<u><u>\$2,673</u></u>	<u><u>\$0</u></u>

VILLAGE OF DUNDEE

*1994 Downtown Development Authority (LTGO) Bonds
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$10	\$10	\$10	\$0
Expenditures				
Debt service:				
Principal	190,000	190,000	190,000	0
Interest	4,323	4,323	4,322	1
Agent fees	250	250	125	125
Total Expenditures	<u>194,573</u>	<u>194,573</u>	<u>194,447</u>	<u>126</u>
Excess (Deficiency) of Revenues over Expenditures	(194,563)	(194,563)	(194,437)	126
Other Financing Sources (Uses)				
Operating transfers in	<u>194,573</u>	<u>194,573</u>	<u>194,573</u>	<u>0</u>
Net Change in Fund Balance	10	10	136	126
Fund Balance - Beginning of Year	<u>1,914</u>	<u>1,914</u>	<u>1,914</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$1,924</u></u>	<u><u>\$1,924</u></u>	<u><u>\$2,050</u></u>	<u><u>\$126</u></u>

VILLAGE OF DUNDEE

*1998 General Obligation
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$1	\$1	\$2	\$1
Expenditures				
Debt service:	0	0	0	0
Total Expenditures	0	0	0	0
Net Change in Fund Balance	1	1	2	1
Fund Balance - Beginning of Year	7,978	7,978	7,978	0
Fund Balance - End of Year	<u>\$7,979</u>	<u>\$7,979</u>	<u>\$7,980</u>	<u>\$1</u>

VILLAGE OF DUNDEE

*1998 Special Assessment Bonds (Stowell/Commerce)
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$17	\$17	\$11	(\$6)
Total Revenues	17	17	11	(6)
Expenditures				
Debt service:	0	0	0	0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	17	17	11	(6)
Other Financing Sources (Uses):				
Operating transfers in	0	(5,500)	(5,500)	0
Net Change in Fund Balance	17	(5,483)	(5,489)	(6)
Fund Balance - Beginning of Year	24,719	5,500	24,719	19,219
Fund Balance - End of Year	<u>\$24,736</u>	<u>\$17</u>	<u>\$19,230</u>	<u>\$19,213</u>

VILLAGE OF DUNDEE

*2001 Special Assessment Bonds (Rawson Street)
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special assessment	\$10,657	\$10,657	\$14,270	\$3,613
Interest	1,753	1,753	1,849	96
Total Revenues	12,410	12,410	16,119	3,709
Expenditures				
Debt service:				
Principal	15,000	15,000	15,000	0
Interest	2,337	2,337	2,337	0
Agent fees	250	250	250	0
Total Expenditures	17,587	17,587	17,587	0
Excess (Deficiency) of Revenues over Expenditures	(5,177)	(5,177)	(1,468)	3,709
Other Financing Sources (Uses):				
Operating transfers in	0	0	5,500	5,500
Net Change in Fund Balance	(5,177)	(5,177)	4,032	9,209
Fund Balance - Beginning of Year	5,177	5,177	25,297	20,120
Fund Balance - End of Year	\$0	\$0	\$29,329	\$29,329

VILLAGE OF DUNDEE

*2004 Installment Purchase (141 Riley)
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt service:				
Principal	10,434	10,434	10,434	0
Interest	167	167	167	0
Total Expenditures	<u>10,601</u>	<u>10,601</u>	<u>10,601</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	(10,601)	(10,601)	(10,601)	0
Other Financing Sources (Uses)				
Operating transfers in	<u>10,601</u>	<u>10,601</u>	<u>10,601</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance - Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

VILLAGE OF DUNDEE

*2004 Special Assessment Bonds (First Street)
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special assessment	\$14,978	\$14,978	\$0	(\$14,978)
Interest	704	704	16	(688)
Total Revenues	15,682	15,682	16	(15,666)
Expenditures				
Debt service:				
Principal	20,000	20,000	0	20,000
Interest	698	698	0	698
Agent fees	0	0	0	0
Total Expenditures	20,698	20,698	0	20,698
Net Change in Fund Balance	(5,016)	(5,016)	16	5,032
Fund Balance - Beginning of Year	14,647	14,647	14,647	0
Fund Balance - End of Year	<u>\$9,631</u>	<u>\$9,631</u>	<u>\$14,663</u>	<u>\$5,032</u>

VILLAGE OF DUNDEE

*2005 Vactor Installment Loan
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt service:				
Principal	16,000	16,000	16,000	0
Interest	1,337	1,337	1,337	0
Total Expenditures	<u>17,337</u>	<u>17,337</u>	<u>17,337</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	(17,337)	(17,337)	(17,337)	0
Other Financing Sources (Uses)				
Operating transfers in	<u>17,337</u>	<u>17,337</u>	<u>17,337</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance - Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

VILLAGE OF DUNDEE

*2006 Capital Improvement General Obligation
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$10	\$10	\$3	(\$7)
Expenditures				
Debt service:				
Principal	55,000	55,000	55,000	0
Interest	43,112	43,112	43,111	1
Total Expenditures	<u>98,112</u>	<u>98,112</u>	<u>98,111</u>	<u>1</u>
Excess (Deficiency) of Revenues over Expenditures	(98,102)	(98,102)	(98,108)	(6)
Other Financing Sources (Uses)				
Operating transfers in	<u>98,112</u>	<u>98,112</u>	<u>98,125</u>	<u>13</u>
Net Change in Fund Balance	10	10	17	7
Fund Balance - Beginning of Year	<u>997</u>	<u>997</u>	<u>997</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$1,007</u></u>	<u><u>\$1,007</u></u>	<u><u>\$1,014</u></u>	<u><u>\$7</u></u>

VILLAGE OF DUNDEE

*2008 Special Assessment Bonds (Pearl Street)
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special assessment	\$14,375	\$14,375	\$14,375	\$0
Interest	2,910	2,910	2,949	7,669
Total Revenues	17,285	17,285	17,324	7,669
Expenditures				
Debt service:				
Principal	35,000	35,000	35,000	0
Interest	10,521	10,521	9,871	650
Misc Expense	125	125	0	125
Total Expenditures	45,646	45,646	44,871	775
Excess (Deficiency) of Revenues over Expenditures	(28,361)	(28,361)	(27,547)	814
Other Financing Sources (Uses):				
Operating transfer in	21,706	21,706	21,706	0
Net Change in Fund Balance	(6,655)	(6,655)	(5,841)	814
Fund Balance - Beginning of Year	6,655	6,655	60,885	54,230
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$55,044</u>	<u>\$55,044</u>

VILLAGE OF DUNDEE

*2008 Special Assessment Bonds (Oak/Plank)
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special assessment	\$20,885	\$20,885	\$20,886	\$1
Interest	12,059	12,059	12,090	31
Total Revenues	32,944	32,944	32,976	32
Expenditures				
Debt service:				
Principal	30,000	30,000	30,000	0
Interest	15,301	15,301	15,300	1
Agent fees	500	500	500	0
Misc expense	0	12	10	2
Total Expenditures	45,801	45,813	45,810	3
Excess (Deficiency) of Revenues over Expenditures	(12,857)	(12,869)	(12,834)	35
Other Financing Sources (Uses):				
Operating transfer in	8,963	8,963	8,963	0
Net Change in Fund Balance	(3,894)	(3,906)	(3,871)	35
Fund Balance - Beginning of Year	3,894	3,906	116,934	113,028
Fund Balance - End of Year	\$0	\$0	\$113,063	\$113,063

VILLAGE OF DUNDEE

*2013 Refunding General Obligation
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$10	\$10	\$14	\$4
Expenditures				
Debt service:				
Principal	170,000	170,000	170,000	0
Interest	47,310	47,310	46,298	1,012
Total Expenditures	<u>217,310</u>	<u>217,310</u>	<u>216,298</u>	<u>1,012</u>
Excess (Deficiency) of				
Revenues over Expenditures	(217,300)	(217,300)	(216,284)	1,016
Other Financing Sources (Uses):				
Operating transfer in	<u>191,310</u>	<u>191,310</u>	<u>191,310</u>	<u>0</u>
Net Change in Fund Balance	(25,990)	(25,990)	(24,974)	1,016
Fund Balance - Beginning of Year	<u>26,000</u>	<u>26,000</u>	<u>26,852</u>	<u>852</u>
Fund Balance - End of Year	<u>\$10</u>	<u>\$10</u>	<u>\$1,878</u>	<u>\$1,868</u>

VILLAGE OF DUNDEE

*2014 Honeywell Installment Loan
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$0	\$0	\$0
Expenditures				
Debt service:				
Principal	54,240	54,240	54,240	0
Interest	5,763	5,763	5,763	0
Total Expenditures	60,003	60,003	60,003	0
Excess (Deficiency) of Revenues over Expenditures	(60,003)	(60,003)	(60,003)	0
Other Financing Sources (Uses):				
Operating transfer in	60,003	60,003	74,094	14,091
Net Change in Fund Balance	0	0	14,091	14,091
Fund Balance - Beginning of Year	0	0	0	0
Fund Balance - End of Year	\$0	\$0	\$14,091	\$14,091

VILLAGE OF DUNDEE

*Internal Service Funds Unemployment Compensation
Combining Statement of Net Position
February 28, 2015*

	<u>General</u>	<u>Water and Sewage</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	<u>\$19,022</u>	<u>\$26,198</u>	<u>\$45,220</u>
Fund Equity			
Net Assets - unrestricted	<u>\$19,022</u>	<u>\$26,198</u>	<u>\$45,220</u>

*Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Year Ended February 28, 2015*

Operating income	\$0	\$0	\$0
Operating expenses	<u>0</u>	<u>0</u>	<u>0</u>
Operating Income	0	0	0
Non-Operating Revenues (Expenses)			
Interest income	<u>21</u>	<u>29</u>	<u>50</u>
Total Non-operating Revenues (Expenses)	<u>21</u>	<u>29</u>	<u>50</u>
Net Income (Loss)	21	29	50
Net Assets - Beginning of Year	<u>19,001</u>	<u>26,169</u>	<u>45,170</u>
Net Assets - End of Year	<u>\$19,022</u>	<u>\$26,198</u>	<u>\$45,220</u>

VILLAGE OF DUNDEE

*Internal Service Funds Unemployment Compensation
Combining Statement of Cash Flows
Year Ended February 28, 2015*

	<u>General</u>	<u>Water and Sewage</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Operating income	\$0	\$0	\$0
Cash Flows from Non-Capital Financing Activities:			
Transfer to General Fund	0	0	0
Cash Flows from Investing Activities:			
Interest income	<u>21</u>	<u>29</u>	<u>50</u>
Net Increase in Cash and Cash Equivalents	21	29	50
Cash and Cash Equivalents - Beginning of Year	<u>19,001</u>	<u>26,169</u>	<u>45,170</u>
Cash and Cash Equivalents - End of Year	<u><u>\$19,022</u></u>	<u><u>\$26,198</u></u>	<u><u>\$45,220</u></u>

VILLAGE OF DUNDEE

*Fiduciary Funds
Combining Statement of Assets and Liabilities
February 28, 2015*

	Agency Funds				Totals
	Accounts Payable	Payroll	Tax Collection	Water and Sewer	
Assets					
Cash and cash equivalents	\$8,333	\$10,257	\$14,715	\$930	\$34,235
Due from other funds	0	233	0	131	364
Total Assets	<u>\$8,333</u>	<u>\$10,490</u>	<u>\$14,715</u>	<u>\$1,061</u>	<u>\$34,599</u>
Liabilities					
Due to other funds	\$330	\$36	\$10,396	\$1,061	\$11,823
Other liabilities	8,003	10,454	4,319	0	22,776
Total Liabilities	<u>\$8,333</u>	<u>\$10,490</u>	<u>\$14,715</u>	<u>\$1,061</u>	<u>\$34,599</u>

VILLAGE OF DUNDEE

Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities - All Agency Funds

February 28, 2015

ACCOUNTS PAYABLE FUND

	<u>Balance</u> <u>February 28, 2014</u>	<u>Deductions</u>	<u>Balance</u> <u>February 28, 2015</u>
Assets			
Cash and cash equivalents	\$8,227	\$5,902,749	\$8,333
Total Assets	<u>\$8,227</u>	<u>\$5,902,749</u>	<u>\$8,333</u>
Liabilities			
Due to other funds	\$246	\$78,243	\$330
Other liabilities	7,981	5,902,833	8,003
Total Liabilities	<u>\$8,227</u>	<u>\$5,981,076</u>	<u>\$8,333</u>

PAYROLL FUND

Assets			
Cash and cash equivalents	\$9,718	\$2,028,030	\$10,258
Due from other funds	170	170	232
Total Assets	<u>\$9,888</u>	<u>\$2,028,200</u>	<u>\$10,490</u>
Liabilities			
Due to other funds	\$87	\$87	\$36
Other liabilities	9,801	2,027,917	10,454
Total Liabilities	<u>\$9,888</u>	<u>\$2,028,004</u>	<u>\$10,490</u>

TAX COLLECTION FUND

Assets			
Cash and cash equivalents	\$2,047	\$2,233,139	\$14,715
Total Assets	<u>\$2,047</u>	<u>\$2,233,139</u>	<u>\$14,715</u>
Liabilities			
Due to other funds	\$18	\$1,980,847	\$10,396
Other liabilities	2,029	252,292	4,319
Total Liabilities	<u>\$2,047</u>	<u>\$2,233,139</u>	<u>\$14,715</u>

VILLAGE OF DUNDEE

Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Concluded)

February 28, 2015

WATER AND SEWER AGENCY

	Balance February 28, 2014	Additions	Deductions	Balance February 28, 2015
Assets				
Cash and cash equivalents	\$426	\$108,928	\$108,425	\$929
Due from other funds	0	132	0	132
Total Assets	\$426	\$109,060	\$108,425	\$1,061
 Liabilities				
Due to other funds	\$426	\$109,989	\$109,354	\$1,061
Total Liabilities	\$426	\$109,989	\$109,354	\$1,061

TOTALS - ALL AGENCY FUNDS

	Balance February 28, 2014	Additions	Deductions	Balance February 28, 2015
Assets				
Cash and cash equivalents	\$20,418	\$10,286,160	\$10,272,343	\$34,235
Due from other funds	170	364	170	364
Total Assets	\$20,588	\$10,286,524	\$10,272,513	\$34,599
 Liabilities				
Due to other funds	\$777	\$2,179,577	\$2,168,531	\$11,823
Other liabilities	19,811	8,186,007	8,183,042	22,776
Total Liabilities	\$20,588	\$10,365,584	\$10,351,573	\$34,599

VILLAGE OF DUNDEE

*Downtown Development Authority - Component Unit
Combining Balance Sheet/Statement of Net Position
February 28, 2015*

	Total Modified Accrual Basis	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$34,725	\$0	\$34,725
Due from other governments	77,990	0	77,990
Due from other funds/Internal balances	(33)		(33)
Total Assets	\$112,682	0	112,682
Liabilities			
Accounts payable	\$19,623	0	19,623
Total Liabilities	19,623	0	19,623
Fund Balance			
Assigned	93,059	(93,059)	0
Total Fund Balance	93,059	(93,059)	0
Total Liabilities and Fund Balance	\$112,682		
Net Position			
Unrestricted		93,059	93,059
Total Net Position		\$93,059	\$93,059

VILLAGE OF DUNDEE

*Downtown Development Authority - Component Unit
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balance/Fund Net Position
Year Ended February 28, 2015*

	Total Modified Accrual Basis	Adjustments	Statement of Activities
Revenues			
Taxes	\$125,659	\$0	\$125,659
Interest	126	0	126
Other	4,432	0	4,432
 Total Revenues	 130,217	 0	 130,217
Expenditures			
Public works	225,150	0	225,150
 Total Expenditures	 225,150	 0	 225,150
 Excess (Deficiency) of Revenues over Expenditures	 (94,933)	 0	 (94,933)
Other Financing Sources (Uses)			
Operating transfers out	(194,573)	0	(194,573)
 Change in Fund Balance/Net Position	 (289,506)	 0	 (289,506)
 Fund Balance/Net Position - Beginning of Year	 382,565	 0	 382,565
 Fund Balance/Net Position - End of Year	 <u>\$93,059</u>	 <u>\$0</u>	 <u>\$93,059</u>

VILLAGE OF DUNDEE

*Local Development Finance Authority Water Plant - Component Unit
Balance Sheet/Statement of Net Position
February 28, 2015*

	Modified Accrual Basis	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$210,418	\$0	\$210,418
Due from other governments	8,387	0	8,387
Total Assets	\$218,805	0	218,805
Liabilities			
Due to other funds	\$0	0	0
Total Liabilities	0	0	0
Fund Balance			
Assigned	218,805	(218,805)	0
Total Fund Balance	218,805	(218,805)	0
Total Liabilities and Fund Balance	\$218,805		
Net Position			
Unrestricted		218,805	218,805
Total Net Position		\$218,805	\$218,805

VILLAGE OF DUNDEE

*Local Development Finance Authority Water Plant - Component Unit
Statement of Revenues, Expenditures, and Changes in
Fund Balance/Fund Net Position
Year Ended February 28, 2015*

	Modified Accrual Basis	Adjustments	Statement of Activities
Revenues			
Interest	\$257	\$0	\$257
Expenditures			
Public works	700	0	700
Total Expenditures	700	0	700
Excess (Deficiency) of Revenues over Expenditures	(443)	0	(443)
Other Financing Sources (Uses)			
Operating transfers out	(23,500)	0	(23,500)
Total Other Financing Sources (Uses)	(23,500)	0	(23,500)
Change in Fund Balance/Net Position	(23,943)	0	(23,943)
Fund Balance/ Net Position - Beginning of Year	242,748	0	242,748
Fund Balance/ Net Position - End of Year	\$218,805	\$0	\$218,805

VILLAGE OF DUNDEE

*Local Development Finance Authority Global Engine Alliance - Component Unit
Combining Balance Sheet/Statement of Net Position
February 28, 2015*

	Global Engine Alliance	LDFA #3 Debt	Account Group General Long-term Debt	Total Modified Accrual Basis	Adjustments	Statement of Net Position
Assets						
Cash and cash equivalents	\$1,459,349	\$100,096	\$0	\$1,559,445	\$0	\$1,559,445
Due from other governments	512,822	0	0	512,822	0	512,822
Capital assets (net of depreciation)	0	0	0	0	4,987,374	4,987,374
Amount available in Debt Service Fund	0	0	100,096	100,096	(100,096)	0
Amount to be provided for long-term debt	0	0	3,609,904	3,609,904	(3,609,904)	0
Total Assets	<u>\$1,972,171</u>	<u>\$100,096</u>	<u>\$3,710,000</u>	<u>\$5,782,267</u>	<u>1,277,374</u>	<u>7,059,641</u>
Liabilities						
Accrued interest	\$0	\$0	\$0	\$0	\$41,838	\$41,838
Debt with government commitment net of bond discount	0	0	3,710,000	3,710,000	(14,400)	3,695,600
Total Liabilities	0	0	3,710,000	3,710,000	27,438	3,737,438
Fund Balance						
Restricted for debt service	0	100,096	0	100,096	(100,096)	0
Assigned	1,972,171	0	0	1,972,171	(1,972,171)	0
Total Fund Balances	<u>1,972,171</u>	<u>100,096</u>	<u>0</u>	<u>2,072,267</u>	<u>(2,072,267)</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$1,972,171</u>	<u>\$100,096</u>	<u>\$3,710,000</u>	<u>\$5,782,267</u>		
Net Position						
Net investment in capital assets					1,277,374	1,277,374
Restricted for debt service					100,096	100,096
Unrestricted					1,944,733	1,944,733
Total Net Position					<u>\$3,322,203</u>	<u>\$3,322,203</u>

VILLAGE OF DUNDEE

*Local Development Finance Authority Global Engine Alliance - Component Unit
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balance/Fund Net Position
Year Ended February 28, 2015*

	Global Engine Alliance	LDFA #3 Debt	Total Modified Accrual Basis	Adjustments	Statement of Activities
Revenues					
Taxes	\$1,086,086	\$0	\$1,086,086	\$0	\$1,086,086
Interest	1,284	167	1,451	0	1,451
Total Revenues	1,087,370	167	1,087,537	0	1,087,537
Expenditures					
Public works	700	0	700	157,158	157,858
Debt service	0	465,221	465,221	(360,356)	104,865
Total Expenditures	700	465,221	465,921	(203,198)	262,723
Excess (Deficiency) of Revenues over Expenditures	1,086,670	(465,054)	621,616	203,198	824,814
Other Financing Sources (Uses)					
Proceeds from general obligation bonds	0	0	0	0	0
Operating transfers in	0	469,362	469,362	(469,362)	0
Payment to refunded bond escrow agent	0	0	0	0	0
Bond issuance costs	0	0	0	0	0
Operating transfers out	(878,992)	0	(878,992)	469,362	(409,630)
Total Other Financing Sources (Uses)	(878,992)	469,362	(409,630)	0	(409,630)
Change in Fund Balance/Net Position	207,678	4,308	211,986	203,198	415,184
Fund Balances/ Net Position - Beginning of Year (See Note 2)	1,764,493	95,788	1,860,281	1,046,738	2,907,019
Fund Balances/ Net Position - End of Year	\$1,972,171	\$100,096	\$2,072,267	\$1,249,936	\$3,322,203

VILLAGE OF DUNDEE

*Economic Development Corporation - Component Unit
Combining Balance Sheet/Statement of Net Position
February 28, 2015*

	Economic Development Corporation	EDC Debt Fund	Account Group General Long-term Debt	Total Modified Accrual Basis	Adjustments	Statement of Net Position
Assets						
Cash and cash equivalents	\$60,322	\$187,737	\$0	\$248,059	\$0	\$248,059
Due from other governments	0	74,740	0	74,740	0	74,740
Capital assets (net of depreciation)	0	0	0	0	8,750,322	8,750,322
Amount available in Debt Service Fund	0	0	239,208	239,208	(239,208)	0
Amount to be provided for long-term debt	0	0	12,095,857	12,095,857	(12,095,857)	0
Total Assets	\$60,322	\$262,477	\$12,335,065	\$12,657,864	(3,584,743)	9,073,121
Liabilities						
Due to other funds/Internal balances	\$0	\$23,269	\$0	\$23,269	\$0	\$23,269
Debt with government commitment	0	0	12,335,065	12,335,065	0	12,335,065
Total Liabilities	0	23,269	12,335,065	12,358,334	0	12,358,334
Fund Balance						
Restricted for debt service	0	239,208	0	239,208	(239,208)	0
Assigned	60,322	0	0	60,322	(60,322)	0
Total Fund Balances	60,322	239,208	0	299,530	(299,530)	0
Total Liabilities and Fund Balances	\$60,322	\$262,477	\$12,335,065	\$12,657,864		
Net Position						
Net investment in capital assets					(3,584,743)	(3,584,743)
Restricted for debt service					239,208	239,208
Unrestricted					60,322	60,322
Total Net Position (Deficit)					(\$3,285,213)	(\$3,285,213)

VILLAGE OF DUNDEE

*Economic Development Corporation - Component Unit
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balance/Fund Net Position
Year Ended February 28, 2015*

	Economic Development Corporation	EDC Debt Fund	Total Modified Accrual Basis	Adjustments	Statement of Activities
Revenues					
Taxes	\$0	\$60,363	\$60,363	\$0	\$60,363
Interest and rentals	67	213	280	0	280
Total Revenues	67	60,576	60,643	0	60,643
Expenditures					
Public works	700	0	700	277,653	278,353
Debt service	0	295,227	295,227	0	295,227
Total Expenditures	700	295,227	295,927	277,653	573,580
Excess (Deficiency) of Revenues over Expenditures	(633)	(234,651)	(235,284)	(277,653)	(512,937)
Other Financing Sources (Uses)					
Operating transfers in	0	134,215	134,215	0	134,215
Total Other Financing Sources (Uses)	0	134,215	134,215	0	134,215
Change in Fund Balance/Net Position	(633)	(100,436)	(101,069)	(277,653)	(378,722)
Fund Balances/Net Position (Deficit) - Beginning of Year	60,955	339,644	400,599	(3,307,090)	(2,906,491)
Fund Balances/Net Position (Deficit) - End of Year	<u>\$60,322</u>	<u>\$239,208</u>	<u>\$299,530</u>	<u>(\$3,584,743)</u>	<u>(\$3,285,213)</u>

VILLAGE OF DUNDEE

*Brownfield Redevelopment Authority - Component Unit
Balance Sheet/Statement of Net Position
February 28, 2015*

	<u>Modified Accrual Basis</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Cash and cash equivalents	\$736,854	\$0	\$736,854
Due from other governments	38,881	0	38,881
 Total Assets	 <u>\$775,735</u>	 <u>0</u>	 <u>775,735</u>
Liabilities			
Due to other funds / internal balances	\$0	0	0
 Total Liabilities	 0	 0	 0
Fund Balance			
Restricted for debt service	775,735	(775,735)	0
 Total Fund Balance	 <u>775,735</u>	 <u>(775,735)</u>	 <u>0</u>
 Total Liabilities and Fund Balance	 <u>\$775,735</u>		
Net Position			
Restricted for debt service		775,735	775,735
 Total Net Position		 <u>\$775,735</u>	 <u>\$775,735</u>

VILLAGE OF DUNDEE

*Brownfield Redevelopment Authority - Component Unit
Statement of Revenues, Expenditures, and Changes in
Fund Balance/Fund Net Position
Year Ended February 28, 2015*

	Modified Accrual Basis	Adjustments	Statement of Activities
Revenues			
Taxes	\$48,607	\$0	\$48,607
Interest and rentals	798	0	798
Total Revenues	49,405	0	49,405
Expenditures			
Public works	1,225	0	1,225
Excess (Deficiency) of Revenues over Expenditures	48,180	0	48,180
Other Financing Sources (Uses)			
Operating transfers out	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Change in Fund Balance/Net Position	48,180	0	48,180
Fund Balance/Net Position - Beginning of Year	727,555	0	727,555
Fund Balance/Net Position - End of Year	<u>\$775,735</u>	<u>\$0</u>	<u>\$775,735</u>



**COOLEY HEHL
WOHLGAMUTH & CARLTON**
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Village Council
Village of Dundee
Monroe County, Michigan

Report of Comments and Recommendations

Council Members:

Our audit of the financial statements of the Village of Dundee for the year ended February 28, 2015, was made in accordance with auditing standards generally accepted in the United States of America. These standards require, in addition to obtaining competent evidential matter through inspection, observation, inquiry and confirmation, that we determine that existing internal controls, accounting procedures and accounting records are adequate to allow us to express an opinion on the financial statements of the Village.

We remind you that the following comments, and where appropriate, recommendations are somewhat limited because they are not the result of a detailed systems analysis.

Improper and Illegal Actions

Nothing came to our attention during the course of the audit to indicate any improper or illegal actions.

Excess of Expenditures over Appropriations

During the year ended February 28, 2015, the Village incurred the following instances of expenditures in excess of the amounts appropriated.

<u>Fund</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
Municipal Street Fund	\$41,300	\$44,367	\$(3,067)

We continue to recommend that actual vs. budget be monitored each month in order to avoid expenditures in excess of appropriations. The budgets should be amended by the Council, when necessary.

Due To/Due From Other Funds

Interfund receivable and payable balances as of February 28, 2015 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Major Street Fund	\$15,788	
Local Street Fund	12,215	
Tax	7,534	
Water Fund	18,456	
Sewer Fund	22,974	
DDA Fund	33	
Trust & Agency	330	
EDC Debt	15,544	
EDC Construction	4,385	
Payroll Fund	36	
Payroll T & A		\$232
Industrial Park and Equipment Purchase Fund		5,000
Municipal Street Fund:		
EDC Debt Fund	7,725	
EDC Construction Fund	1,879	
Tax Collection Fund	2,862	
Major Street Fund:		
Local Street Fund	2,663	
General Fund		15,788
Local Street Fund:		
General Fund		12,215
Major Street Fund		2,663
Downtown Development Authority:		
General Fund		33
Tax Fund:		
General Fund		7,534
Municipal Street Fund		2,862
Industrial Park and Equipment Purchase Fund:		
General Fund	5,000	
Sewer Enterprise Fund		18,120
EDC Debt Fund:		
General Fund		15,544
Municipal Street Fund		7,725
EDC Construction Fund:		
General Fund		4,385
Municipal Street Fund		1,879
W/S T & A:		
Sewer Fund	66	574
Water Fund	66	487
Payroll Fund:		
General Fund		36
Water Fund:		
W/S T & A	487	66
Sewer Fund	324	39
General Fund		18,456
A/P T&A Fund:		
General Fund		330

Due To/Due From Other Funds (Concluded)

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Payroll T & A Fund:		
General Fund	\$232	
Sewer Fund:		
General Fund		\$22,974
Building Department Fund		
Industrial Park/Equipment Purchase Fund	18,120	
Water Fund	39	324
W/S T & A Fund	574	66
	<u>\$137,332</u>	<u>\$137,332</u>

Interfund balances reflect temporary loans and reimbursements due in the normal course of interfund activity.

There are several funds that owe each other as of February 28, 2015. Some of these balances include amounts owed from prior years. The Village should review these accounts periodically and transfer amounts to clear these balances.

Debt

In recent years, because of the proliferation of construction projects and other improvements which have been financed by a mixture of bond issues, grants and installment purchase agreements, Village finances have become extremely complex. As of February 28, 2015, the Village had seventeen bond issues and installment purchase agreements and the loan from Cabelas.

Repayment of the Village's outstanding indebtedness which was \$29,043,980 as of February 28, 2015, is scheduled from various sources, such as special assessments, water and sewer department resources, LDFA captured taxes, debt millage and general Village revenues. These sources must adhere to various legal restrictions.

It has been a pleasure to serve you and we appreciate the cooperation we received during the audit. We are available to meet with you at any time to answer any questions concerning this letter or the 2014-2015 audit report.

Very truly yours,

Cooley Hehl
Wahlmann & Carlton

June 5, 2015



**COOLEY HEHL
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To the Village Council
Village of Dundee
Monroe County, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Dundee, Monroe County, Michigan for the year ended February 28, 2015, and have issued our report thereon dated June 5, 2015. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our letter dated March 30, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village of Dundee, Monroe County, Michigan are described in Note 2 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. No new accounting policies were adopted and the application of existing policies was not changed during the year ended February 28, 2015.

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

Management's estimate of construction in process recorded in the Sewer Fund is based on amounts incurred for sewer system improvements. We evaluated the key factors and assumptions used to develop the estimate of construction in process in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

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

Management Representation

We have requested certain representation from management that are included in the management representation letter dated June 5, 2015.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Information in Document Containing Audited Financial Statements

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

This information is intended solely for the use of Village Council and management of the Village of Dundee and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Cooley Hehl
Wolfgangmuth & Carlton

June 5, 2015