

VILLAGE OF DUNDEE
Monroe County, Michigan

ANNUAL FINANCIAL REPORT

February 28, 2019

VILLAGE OF DUNDEE

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COOLEY HEHL SABO & CALKINS

CERTIFIED PUBLIC ACCOUNTANTS

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, 2019, 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, 2019, 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, budgetary comparison information, and pension schedules on pages 7 through 14, and 74 through 78, and 79 through 80 respectively 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.

Other 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 other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements.

The other supplementary information, as identified in the table of contents, and the schedule of expenditures of federal awards 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 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 the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2019, on our consideration of the Village of Dundee, Monroe County, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Dundee, Monroe County, Michigan's internal control over financial reporting and compliance.

Cooley Hehl Sabo & Calkins, PLLC

June 24, 2019

COOLEY HEHL SABO & CALKINS

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards*

President and Village Council
Village of Dundee
Dundee, Michigan 48131

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 24, 2019.

Internal Control Over Financial Reporting

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

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

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

President and Village Council
Village of Dundee

Compliance and Other Matters

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

Purpose of this Report

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

Cooley Hehl Sabo & Calkins, PLLC

June 24, 2019

COOLEY HEHL SABO & CALKINS

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance

President and Village Council
Village of Dundee
Dundee, Michigan 48131

Report on Compliance for Each Major Federal Program

We have audited the Village of Dundee, Monroe County, Michigan's compliance with the types of compliance described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Village of Dundee, Monroe County, Michigan's major federal programs for the year ended February 28, 2019. The Village of Dundee, Monroe County, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Village of Dundee, Monroe County, Michigan's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Dundee, Monroe County, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Village of Dundee, Monroe County, Michigan's compliance.

President and Village Council
Village of Dundee

Opinion on Each Major Federal Program

In our opinion, the Village of Dundee, Monroe County, Michigan complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended February 28, 2019.

Report on Internal Control Over Compliance

Management of the Village of Dundee, Monroe County, Michigan is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village of Dundee, Monroe County, Michigan's internal control over compliance with the types requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village of Dundee, Monroe County, Michigan's internal control over compliance.

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

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

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

Cooley Hehl Sabo & Calkins, PLLC

June 24, 2019

VILLAGE OF DUNDEE

Management's Discussion and Analysis Year Ended February 28, 2019

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, 2019. 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 \$39,864,482 (net position). Of this amount, \$8,153,221 (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 \$929,362.

At the close of the year, the Village's governmental funds reported combined ending fund balances of \$6,138,185, a decrease of \$63,679 in comparison with the prior year increase of \$614,983. Approximately 57.58 percent of this amount, or \$3,534,277 is available for spending at the government's discretion (unrestricted fund balance). \$1,035,563 was assigned and \$2,498,714 was unassigned.

At the end of the year, the unassigned fund balance for the general fund was \$2,498,714 or 120.02 percent of total general fund expenditures.

The Village had a net increase in total bonded debt and compensated absences of \$3,073,728. New debt of \$4,357,722 was issued during the year. The 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, 2019*

Government-Wide Financial Statements

The Government-Wide Financial Statements (on pages 15-18), 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 31-34.

VILLAGE OF DUNDEE

*Management's Discussion and Analysis
Year Ended February 28, 2019*

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.

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 21 and 24 respectively, to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 19 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 19, 20, 22, and 23 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 25 through 29 of this report.

VILLAGE OF DUNDEE

Management's Discussion and Analysis Year Ended February 28, 2019

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 30 of this report.

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 35 through 73 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 \$39,864,482 at the close of the most recent year.

By far the largest portion of the Village's net position (67.7 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 \$8,153,221. 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, 2019.

VILLAGE OF DUNDEE

*Management's Discussion and Analysis
Year Ended February 28, 2019*

Table 1:

Condensed Statement of Net Position February 28,

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current assets	\$6,369,414	\$6,752,304	\$8,368,562	\$7,665,336	\$14,737,976	\$14,417,640
Restricted assets	0	0	933,449	810,252	933,449	810,252
Capital and other noncurrent assets, net	15,923,816	16,008,982	31,819,522	28,078,092	47,743,338	44,087,074
Total Assets	22,293,230	22,761,286	41,121,533	36,553,680	63,414,763	59,314,966
Total Deferred Outflows	218,938	85,233	146,063	140,320	365,001	225,553
Current and other liabilities	601,365	902,211	1,858,964	1,158,581	2,460,329	2,060,792
Long-term liabilities	3,496,384	3,685,769	17,571,160	11,074,521	21,067,544	14,760,290
Total Liabilities	4,097,749	4,587,980	19,430,124	12,233,102	23,527,873	16,821,082
Total Deferred Inflows	0	38,039	387,409	430,581	387,409	468,620
Net Position						
Net Investment in capital assets	13,498,854	13,177,757	13,487,942	13,145,675	26,986,796	26,323,432
Restricted:						
Capital asset replacement	0	0	1,000	1,000	1,000	1,000
Streets and highways	2,336,582	2,619,183	0	0	2,336,582	2,619,183
Parks and recreation	9,885	7,041	0	0	9,885	7,041
Historical commission	7,522	13,558	0	0	7,522	13,558
Building department	253,899	189,468	0	0	253,899	189,468
Capital improvement	864,002	869,166	0	0	864,002	869,166
Debt service	224,485	279,075	1,027,090	927,553	1,251,575	1,206,628
Unrestricted	1,219,190	1,065,252	6,934,031	6,640,392	8,153,221	7,705,644
Total Net Position	\$18,414,419	\$18,220,500	\$21,450,063	\$20,714,620	\$39,864,482	\$38,935,120

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 \$929,362 during the fiscal year ended. This increase is primarily attributable to the increases in charges for service, grants, and tap fees.

VILLAGE OF DUNDEE

*Management's Discussion and Analysis
Year Ended February 28, 2019*

As indicated in Table 2, the cost of all governmental activities this year was \$3.269 million. Of this amount \$388,872 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 \$3.509 million.

The Village experienced an increase in net position of governmental activities of \$193,919 compared to an increase of \$242,466 in the prior year. This lower increase is due to a higher road construction and maintenance expenses. The Village experienced an increase in net position of business-type activities of \$735,443.

Table 2:

**Changes in Net Position
Years Ended February 28,**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$388,872	\$333,300	\$3,728,014	\$3,703,477	\$4,116,886	\$4,036,777
Grants and contributions	608,925	431,886	0	112,373	608,925	544,259
	<u>997,797</u>	<u>765,186</u>	<u>3,728,014</u>	<u>3,815,850</u>	<u>4,725,811</u>	<u>4,581,036</u>
General revenues						
Property taxes	1,597,365	1,483,225	0	0	1,597,365	1,483,225
State grants (revenue sharing)	545,551	641,390	0	0	545,551	641,390
Other	294,477	312,110	116,133	248,728	410,610	560,838
	<u>2,437,393</u>	<u>2,436,725</u>	<u>116,133</u>	<u>248,728</u>	<u>2,553,526</u>	<u>2,685,453</u>
Total Revenues	<u>3,435,190</u>	<u>3,201,911</u>	<u>3,844,147</u>	<u>4,064,578</u>	<u>7,279,337</u>	<u>7,266,489</u>
Functions/Program Expenses						
Legislative	21,677	15,372	0	0	21,677	15,372
General government	394,767	409,674	0	0	394,767	409,674
Public safety	975,129	897,316	0	0	975,129	897,316
Public works	1,517,949	1,264,532	0	0	1,517,949	1,264,532
Economic development	70,370	116,435	0	0	70,370	116,435
Culture and recreation	162,461	150,728	0	0	162,461	150,728
Insurance	32,513	37,872	0	0	32,513	37,872
Interest on long-term debt	93,971	99,417	0	0	93,971	99,417
Water department	0	0	1,394,385	1,358,535	1,394,385	1,358,535
Sewer department	0	0	2,115,056	2,172,471	2,115,056	2,172,471
Total Expenses	<u>3,268,837</u>	<u>2,991,346</u>	<u>3,509,441</u>	<u>3,531,006</u>	<u>6,778,278</u>	<u>6,522,352</u>
Increase in Net Position						
Before Gains Losses and Transfers	166,353	210,565	334,706	533,572	501,059	744,137
Debt forgiveness	0	0	0	150,000	0	150,000
Transfers, net	27,566	31,901	400,737	372,449	428,303	404,350
Increase (Decrease) in Net Position	<u>\$193,919</u>	<u>\$242,466</u>	<u>\$735,443</u>	<u>\$1,056,021</u>	<u>\$929,362</u>	<u>\$1,298,487</u>

VILLAGE OF DUNDEE

Management's Discussion and Analysis Year Ended February 28, 2019

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 \$6,138,185, which is a decrease of \$63,679 from last year. The decrease is due to an increase in higher road maintenance and road construction expenditures. 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	\$2,319,066	\$2,829,250	\$217,037	\$836,511	\$6,201,864
Increase (decrease)	<u>193,057</u>	<u>(221,362)</u>	<u>(30,210)</u>	<u>(5,164)</u>	<u>(63,679)</u>
Fund balances- End of year	<u>\$2,512,123</u>	<u>\$2,607,888</u>	<u>\$186,827</u>	<u>\$831,347</u>	<u>\$6,138,185</u>

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

	<u>February 28, 2019</u>	<u>February 28, 2018</u>	<u>Percent Change</u>
Revenues			
Property taxes	\$1,127,411	\$1,049,426	7.43 %
Licenses and permits	77,635	72,771	6.68 %
State grants	545,551	540,444	0.94 %
Fines and forfeits	98,581	29,286	236.61 %
Interest and rentals	284,700	242,135	17.58 %
Other	119,652	232,255	(48.48)%
Proceeds from lease purchase agreement	0	26,150	(100.00)%
Transfers in	<u>21,500</u>	<u>23,500</u>	(8.51)%
Total Revenues	<u>\$2,275,030</u>	<u>\$2,215,967</u>	2.67 %

	<u>February 28, 2019</u>	<u>February 28, 2018</u>	<u>Percent Change</u>
Expenditures			
Legislative	\$21,677	\$15,372	41.02 %
General government	271,093	222,108	22.05 %
Public safety	820,517	731,705	12.14 %
Public works	412,107	364,444	13.08 %
Economic development	70,370	116,435	(39.56)%
Insurance and other	32,513	37,872	(14.15)%
Transfers out	<u>453,696</u>	<u>452,777</u>	0.20 %
Total Expenditures	<u>\$2,081,973</u>	<u>\$1,940,713</u>	7.28 %

VILLAGE OF DUNDEE

Management's Discussion and Analysis Year Ended February 28, 2019

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.

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Proceeds from lease purchase agreement	0	26,150	(100.00)%
Transfers in	<u>21,500</u>	<u>23,500</u>	(8.51)%
Total Revenues	<u>\$2,275,030</u>	<u>\$2,215,967</u>	2.67 %

Expenditures	<u>February 28, 2019</u>	<u>February 28, 2018</u>	<u>Percent Change</u>
Legislative	\$21,677	\$15,372	41.02 %
General government	271,093	222,108	22.05 %
Public safety	820,517	731,705	12.14 %
Public works	412,107	364,444	13.08 %
Economic development	70,370	116,435	(39.56)%
Insurance and other	32,513	37,872	(14.15)%
Transfers out	<u>453,696</u>	<u>452,777</u>	0.20 %
Total Expenditures	<u>\$2,081,973</u>	<u>\$1,940,713</u>	7.28 %

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF DUNDEE

Statement of Net Position
February 28, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and cash equivalents	\$5,829,842	\$7,263,642	\$13,093,484	\$3,908,320
Receivables:				
Accounts	18,087	748,097	558,177	0
Delinquent taxes	178,289	405	170,012	0
Special assessments	92,165	0	92,165	0
Internal balances	15,758	(14,997)	761	(761)
Due from other governmental units	221,801	326,838	548,639	475,644
Prepaid expenses	13,472	44,577	58,049	0
Total Current Assets	<u>6,369,414</u>	<u>8,368,562</u>	<u>14,737,976</u>	<u>4,383,203</u>
Restricted assets				
Cash and cash equivalents	0	893,255	893,255	101,553
Cash with fiscal agent	0	40,194	40,194	0
Total Restricted Assets	<u>0</u>	<u>933,449</u>	<u>933,449</u>	<u>101,553</u>
Noncurrent assets				
Capital assets:				
Nondepreciated	664,333	7,731,103	8,395,436	3,300,000
Depreciated, net	15,259,483	24,088,419	39,347,902	8,698,452
Total Capital Assets	<u>15,923,816</u>	<u>31,819,522</u>	<u>47,743,338</u>	<u>11,998,452</u>
Total Assets	22,293,230	41,121,533	63,414,763	16,483,208
Deferred Outflow of Resources				
Sewer refunding	0	94,641	94,641	0
Deferred outflows related to pension	218,938	51,422	270,360	0
Total Deferred Outflow of Resources	<u>218,938</u>	<u>146,063</u>	<u>365,001</u>	<u>0</u>
Liabilities				
Current liabilities				
Accounts payable	49,886	406,901	456,787	6,312
Accrued payroll	33,489	9,855	43,344	0
Accrued interest	33,979	198,354	232,333	27,821
Customer deposits	32,100	36,729	68,829	0
Accrued compensated absences	53,227	7,125	60,352	0
Current portion of long term debt net of related discount	398,684	1,200,000	1,598,684	405,000
Total Current Liabilities	<u>601,365</u>	<u>1,858,964</u>	<u>2,460,329</u>	<u>439,133</u>
Noncurrent liabilities				
Bonds payable (net of related discount)	1,992,299	17,217,892	19,210,191	1,782,000
Net pension liability	1,504,085	353,268	1,857,353	0
	<u>3,496,384</u>	<u>17,571,160</u>	<u>21,067,544</u>	<u>1,782,000</u>
Total Liabilities	4,097,749	19,430,124	23,527,873	2,221,133

See accompanying notes to the basic financial statements

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Deferred Inflow of Resources				
Unexpended I & I Project costs	\$0	\$8,329	\$8,329	\$0
Advanced payment of tap fees	0	379,080	379,080	0
Total Deferred Inflow of Resources	0	387,409	387,409	0
Net Position				
Net investment in capital assets	13,498,854	13,487,942	26,986,796	9,803,452
Restricted for:				
Capital asset replacement	0	1,000	1,000	0
Streets and highways	2,336,582	0	2,336,582	0
Parks and recreation	9,885	0	9,885	0
Historical commission	7,522	0	7,522	0
Building department	253,899	0	253,899	0
Capital improvements	864,002	0	864,002	0
Debt service	224,485	1,027,090	1,251,575	1,009,933
Unrestricted	1,219,190	6,934,031	8,153,221	3,449,354
Total Net Position	\$18,414,419	\$21,450,063	\$39,864,482	\$14,262,739

VILLAGE OF DUNDEE

Statement of Activities
Year Ended February 28, 2019

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Legislative	\$21,677	\$0	\$0	\$0
General government	394,767	290,291	0	0
Public safety	975,129	98,581	0	0
Public works	1,517,949	0	608,925	0
Economic development	70,370	0	0	0
Culture and recreation	162,461	0	0	0
Insurance	32,513	0	0	0
Interest on long-term debt	93,971	0	0	0
Total governmental activities	<u>3,268,837</u>	<u>388,872</u>	<u>608,925</u>	<u>0</u>
Business-type activities				
Water department	1,394,385	1,501,145	0	0
Sewer department	2,115,056	2,226,869	0	0
Total business-type activities	<u>3,509,441</u>	<u>3,728,014</u>	<u>0</u>	<u>0</u>
Total primary government	<u>\$6,778,278</u>	<u>\$4,116,886</u>	<u>\$608,925</u>	<u>\$0</u>
Component units				
Downtown Development Authority	\$208,974	\$0	\$0	\$0
LDFA - Water Plant	200	0	0	0
LDFA - Global Alliance	246,481	0	0	0
Economic Development - Cabelas	278,353	0	0	0
Brownfield Redevelopment	18,533	0	0	0
Total component units	<u>\$752,541</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

General revenues
Property taxes
State grants
Tap fees
Interest and rentals
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 Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
(\$21,677)	\$0	(\$21,677)	
(104,476)	0	(104,476)	
(876,548)	0	(876,548)	
(909,024)	0	(909,024)	
(70,370)	0	(70,370)	
(162,461)	0	(162,461)	
(32,513)	0	(32,513)	
(93,971)	0	(93,971)	
<u>(2,271,040)</u>	<u>0</u>	<u>(2,271,040)</u>	
0	106,760	106,760	
0	111,813	111,813	
0	<u>218,573</u>	<u>218,573</u>	
<u>(2,271,040)</u>	<u>218,573</u>	<u>(2,052,467)</u>	
			(\$208,974)
			(200)
			(246,481)
			(278,353)
			<u>(18,533)</u>
			(752,541)
1,597,365	0	1,597,365	837,210
545,551	0	545,551	558,214
0	99,660	99,660	0
44,980	16,473	61,453	7,786
249,497	0	249,497	42,880
27,566	400,737	428,303	(428,303)
<u>2,464,959</u>	<u>516,870</u>	<u>2,981,829</u>	<u>1,017,787</u>
193,919	735,443	929,362	265,246
<u>18,220,500</u>	<u>20,714,620</u>	<u>38,935,120</u>	<u>13,997,493</u>
<u>\$18,414,419</u>	<u>\$21,450,063</u>	<u>\$39,864,482</u>	<u>\$14,262,739</u>

FUND FINANCIAL STATEMENTS

VILLAGE OF DUNDEE

*Balance Sheet
Governmental Funds
February 28, 2019*

	General Fund	Municipal Street Fund	Major Street Fund
Assets			
Cash and cash equivalents	\$2,299,468	\$765,211	\$1,115,264
Receivables:			
Accounts	15,074	1,127	0
Delinquent taxes	117,869	54,815	3,227
Special assessments	0	0	0
Due from other funds	46,688	29,659	0
Due from other governmental units	135,751	30,780	62,457
Prepaid expenses	13,409	0	0
Total Assets	<u>\$2,628,259</u>	<u>\$881,592</u>	<u>\$1,180,948</u>
Liabilities			
Accounts payable/retainage	\$6,930	\$0	\$38,077
Accrued wages	25,299	0	3,724
Due to other funds	58,907	4,486	9,660
Customer deposits	25,000	0	5,000
Total Liabilities	116,136	4,486	56,461
Deferred Inflows of Resources			
Special assessments	0	0	0
Fund Balance			
Nonspendable:			
Prepaid expenses	13,409	0	0
Restricted for:			
Streets and highways	0	877,106	1,124,487
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	2,498,714	0	0
Total Fund Balances	<u>2,512,123</u>	<u>877,106</u>	<u>1,124,487</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$2,628,259</u>	<u>\$881,592</u>	<u>\$1,180,948</u>

See accompanying notes to the basic financial statements

Local Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$323,568	\$1,280,890	\$5,784,401
0	1,886	18,087
2,378	0	178,289
0	92,165	92,165
0	0	76,347
22,179	0	251,167
0	63	13,472
<u>\$348,125</u>	<u>\$1,375,004</u>	<u>\$6,413,928</u>
\$4,192	\$687	\$49,886
2,042	2,424	33,489
6,902	10,000	89,955
0	2,100	32,100
<u>13,136</u>	<u>15,211</u>	<u>205,430</u>
0	70,313	70,313
0	63	13,472
334,989	0	2,336,582
0	253,854	253,854
0	17,389	17,389
0	542,460	542,460
0	321,542	321,542
0	154,172	154,172
0	0	2,498,714
<u>334,989</u>	<u>1,289,480</u>	<u>6,138,185</u>
<u>\$348,125</u>	<u>\$1,375,004</u>	<u>\$6,413,928</u>

VILLAGE OF DUNDEE

Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
February 28, 2019

Total Governmental Fund Balance		\$6,138,185
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		45,441
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Cost of capital assets	\$25,357,794	
Accumulated depreciation	<u>(9,433,978)</u>	
		15,923,816
Governmental activities will recognize the net pension liability as of the measurement date. Pension contributions made after the measurement date are reported as deferred outflows. In addition, resources related to change in assumptions, differences between expected and actual experience, and differences between projected and actual pension investment earnings are also included in the government-wide financial statements as follows:		
Deferred outflows of resources related to the pension liability		218,938
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.		
		70,313
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compenstated absences	(53,227)	
Bonds and installment obligations	(2,390,983)	
Net pension liability	<u>(1,504,085)</u>	
		(3,948,295)
Accrued interest on long term liabilities is not reported in the funds		<u>(33,979)</u>
Total Net Position of Governmental Activities		<u>\$18,414,419</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, 2019*

	General Fund	Municipal Street Fund	Major Street Fund	Local Street Fund
Revenues				
Taxes	\$1,127,411	\$469,954	\$0	\$0
Special assessments	0	0	0	0
Licenses and permits	77,635	0	0	0
State grants	545,551	60,438	339,703	120,716
Other state source	0	0	72,401	15,667
Fines and forfeits	98,581	0	0	0
Interest and rentals	284,700	1,944	2,203	598
Other revenues	119,652	6,571	53,797	25,462
Total Revenues	2,253,530	538,907	468,104	162,443
Expenditures				
Legislative	21,677	0	0	0
General government	271,093	0	0	0
Public safety	820,517	0	0	0
Public works	412,107	44,913	1,115,948	268,131
Economic development	70,370	0	0	0
Culture and recreation	0	0	0	0
Capital outlay	0	0	0	0
Insurance	32,513	0	0	0
Debt service	0	0	0	0
Total Expenditures	1,628,277	44,913	1,115,948	268,131
Excess (Deficiency) of Revenues over Expenditures	625,253	493,994	(647,844)	(105,688)
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	0	0	0	0
Operating transfers in	21,500	0	400,000	200,000
Operating transfers (out)	(453,696)	(600,000)	0	(23,063)
Total Other Financing Sources (Uses)	(432,196)	(600,000)	400,000	176,937
Net Change in Fund Balances	193,057	(106,006)	(247,844)	71,249
Fund Balances - Beginning of Year	2,319,066	983,112	1,372,331	263,740
Fund Balances - End of Year	\$2,512,123	\$877,106	\$1,124,487	\$334,989

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$1,597,365
24,380	24,380
212,656	290,291
0	1,066,408
0	88,068
0	98,581
17,794	307,239
44,015	249,497
<u>298,845</u>	<u>3,721,829</u>
0	21,677
0	271,093
138,754	959,271
19,507	1,860,606
0	70,370
103,413	103,413
1,297	1,297
0	32,513
500,234	500,234
<u>763,205</u>	<u>3,820,474</u>
(464,360)	(98,645)
7,400	7,400
525,617	1,147,117
(42,792)	(1,119,551)
<u>490,225</u>	<u>34,966</u>
25,865	(63,679)
<u>1,263,615</u>	<u>6,201,864</u>
<u>\$1,289,480</u>	<u>\$6,138,185</u>

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, 2019*

Net Change in Fund Balances - Total Governmental Funds			((\$63,679))
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		\$712,322	
Less current year depreciation		<u>(790,088)</u>	
			(77,766)
Revenues in the governmental funds that do not provide current financial resources are not reported as revenue in the statement of activities.			(24,380)
Interest is recorded as it accrues in the statement of activities			(2,979)
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.			(1,663)
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.			409,242
The statement of net position reports the net pension liability, deferred inflows of resources, and deferred outflows of resources related to the net pension liability. However, the amount recorded in the governmental fund equals actual pension contributions.			
Net change in pension liability			(209,299)
Net change in deferred outflows of resources related to the net pension liability			133,705
Net change in deferred inflows of resource related to the net pension liability			38,039
Proceeds from the sale of capital assets are reported as other financing sources in the governmental fund financial statements but but not in the statement of activities			(7,400)
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>99</u>
Change in Net Position of Governmental Activities			<u>\$193,919</u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

Statement of Net Position
Proprietary Funds
February 28, 2019

	Business-type Activities Enterprise Funds			Governmental Activities
	Water	Sewage Disposal	Total	Internal Service Funds
Assets				
Current assets				
Cash and cash equivalents	\$2,748,645	\$4,514,997	\$7,263,642	\$45,441
Receivables:				
Delinquent taxes	0	405	405	0
Accounts	270,117	477,980	748,097	0
Due from other funds	2,612	7,408	10,020	0
Due from other governments	0	326,838	326,838	0
Prepaid expenses	16,386	28,191	44,577	0
Total Current Assets	<u>3,037,760</u>	<u>5,355,819</u>	<u>8,393,579</u>	<u>45,441</u>
Restricted assets				
Cash and cash equivalents	0	893,255	893,255	0
Cash with fiscal agent	1,235	38,959	40,194	0
Total Restricted Assets	<u>1,235</u>	<u>932,214</u>	<u>933,449</u>	<u>0</u>
Noncurrent assets				
Capital assets:				
Land and buildings	4,452,153	15,332,453	19,784,606	0
Machinery and equipment	8,125,296	13,424,962	21,550,258	0
Construction in progress	0	7,647,827	7,647,827	0
	<u>12,577,449</u>	<u>36,405,242</u>	<u>48,982,691</u>	<u>0</u>
Less: accumulated depreciation	(6,333,036)	(10,830,133)	(17,163,169)	0
Net Capital Assets	<u>6,244,413</u>	<u>25,575,109</u>	<u>31,819,522</u>	<u>0</u>
Total Assets	9,283,408	31,863,142	41,146,550	45,441
Deferred Outflow of Resources				
Sewer refunding	0	94,641	94,641	0
Deferred outflows related to pension	30,902	20,520	51,422	0
Total Deferred Outflow of Resources	<u>30,902</u>	<u>115,161</u>	<u>146,063</u>	<u>0</u>

See accompanying notes to the basic financial statements

	Business-type Activities Enterprise Funds			Governmental Activities
	Water	Sewage	Total	Internal
		Disposal		Service Funds
Liabilities				
Current liabilities				
Accounts payable	\$17,486	\$389,415	\$406,901	\$0
Accrued payroll	5,266	4,589	9,855	0
Due to other funds	12,866	12,151	25,017	0
Customer deposits	35,668	1,061	36,729	0
Accrued interest	24,733	173,621	198,354	0
Accrued compensated absences	6,592	533	7,125	0
Current portion of state revolving fund - sewer	0	495,000	495,000	0
Total Current Liabilities (payable from current assets)	102,611	1,076,370	1,178,981	0
Current liabilities (payable from restricted assets):				
Current portion of contract payable - sewer	0	350,000	350,000	0
Current portion of contract payable - water	215,000	0	215,000	0
Current portion of contract payable - water and sewer	20,000	20,000	40,000	0
Current portion of contract payable - sewer	0	100,000	100,000	0
Total Current Liabilities (payable from restricted assets)	235,000	470,000	705,000	0
Noncurrent liabilities (payable from current assets):				
State revolving fund loan - sewer	0	3,851,043	3,851,043	0
State revolving fund loan - sewer	0	7,358,419	7,358,419	0
Net pension liability	212,295	140,973	353,268	0
Total Noncurrent Liabilities (payable from current assets)	212,295	11,350,435	11,562,730	0
Noncurrent liabilities (payable from restricted assets):				
Contract payable - sewer	0	1,490,000	1,490,000	0
Contract payable - water (net of \$21,213 discount)	1,686,680	0	1,686,680	0
Bonds payable - water and sewer	80,000	80,000	160,000	0
Bonds payable - sewer (net of \$24,800 discount)	0	2,671,750	2,671,750	0
Total Noncurrent Liabilities (payable from restricted assets)	1,766,680	4,241,750	6,008,430	0
Total Liabilities	2,316,586	17,138,555	19,455,141	0
Deferred Inflow of Resources				
Unexpended I & I project funds	0	8,329	8,329	0
Advanced payment of tap fees	0	379,080	379,080	0
Total Deferred Inflow of Resources	0	387,409	387,409	0
Net Position				
Net Investment in capital assets	4,242,733	9,245,209	13,487,942	0
Restricted:				
Replacement fund	1,000	0	1,000	0
Debt retirement and construction	1,235	1,047,375	1,027,090	0
Unrestricted	2,752,756	4,159,755	6,934,031	45,441
Total Net Position	\$6,997,724	\$14,452,339	\$21,450,063	\$45,441

VILLAGE OF DUNDEE

*Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended February 28, 2019*

	Business-type Activities Enterprise Funds			Governmental Activities
	Water Department	Sewer Department	Totals	Internal Service Funds
Operating Revenues				
Charges for services	\$1,461,975	\$2,207,311	\$3,669,286	\$0
Penalties	8,825	15,198	24,023	0
Other revenue	30,345	4,360	34,705	0
Total Operating Revenues	1,501,145	2,226,869	3,728,014	0
Operating Expenses				
Operating and maintenance wages	95,168	46,767	141,935	0
Clerical salaries	49,095	49,098	98,193	0
Employee benefits	86,621	92,485	179,106	0
Training	40	0	40	0
Utilities and telephone	13,498	171,147	184,645	0
Water supply and system maintenance	684,452	152,483	836,935	0
Chemicals	3,840	29,303	33,143	0
Laboratory supplies	994	5,182	6,176	0
Insurance	29,250	33,129	62,379	0
Office supplies	4,306	0	4,306	0
Professional services	4,033	4,063	8,096	0
Depreciation and amortization	335,149	799,049	1,134,198	0
Miscellaneous expense	2,512	204	2,716	0
Engineering fees	4,101	3,477	7,578	0
Contractual services	138	235,721	235,859	0
Sanitation	0	48,051	48,051	0
Total Operating Expenses	1,313,197	1,670,175	2,983,372	0
Net Operating Income (loss)	187,948	556,694	744,642	0
Non-Operating Revenues (Expenses)				
Tap fees	30,060	69,600	99,660	0
Interest income	5,575	10,898	16,473	99
Interest and fiscal charges	(81,188)	(444,881)	(526,069)	0
Total Non-Operating Revenues (Expenses)	(45,553)	(364,383)	(409,936)	99
Income (loss) before contributions and transfers	142,395	192,311	334,706	99
Transfers to other funds	0	(17,982)	(17,982)	0
Transfers from other funds	23,100	395,619	418,719	0
Change in net position	165,495	569,948	735,443	99
Total Net Position - Beginning of Year	6,832,229	13,882,391	20,714,620	45,342
Total Net Position - End of Year	\$6,997,724	\$14,452,339	\$21,450,063	\$45,441

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

Statement of Cash Flows
 Proprietary Funds
 Year Ended February 28, 2019

	Business-type Activities			Governmental
	Enterprise Funds			Activities
	Water Department	Sewer Department	Total	Internal Service Funds
Cash Flows From Operating Activities				
Cash received from customers	\$1,506,313	\$1,901,593	\$3,407,906	\$0
Cash paid to suppliers	(734,822)	(311,559)	(1,046,381)	0
Cash paid to employees	(244,791)	(194,132)	(438,923)	0
Net cash provided by operating activities	526,700	1,395,902	1,922,602	0
Cash Flows From Noncapital Financing Activities				
Transfer to other funds	0	(17,982)	(17,982)	0
Transfer from other funds	23,100	395,619	418,719	0
Net cash provided by noncapital financing activities	23,100	377,637	400,737	0
Cash Flows From Capital and Related Financing Activities				
Tap fees	30,060	36,255	66,315	0
Proceeds from issuance of bonds	0	4,030,884	4,030,884	0
Acquisition and construction of capital assets	(243,394)	(4,300,953)	(4,544,347)	0
Principal paid on contract payable	(225,845)	(650,845)	(876,690)	0
Interest paid on revenue bonds and contract payable	(80,798)	(371,963)	(452,761)	0
Net cash provided (used) by capital and related financing activities	(519,977)	(1,256,622)	(1,776,599)	0
Cash Flows From Investing Activities				
Interest earned on cash investments	5,575	10,898	16,473	99
Net Increase in Cash and Cash Equivalents	35,398	527,815	563,213	99
Cash and Cash Equivalents - Beginning of Year	2,714,482	4,919,396	7,633,878	45,302
Cash and Cash Equivalents - End of Year	\$2,749,880	\$5,447,211	\$8,197,091	\$45,401
Balance Sheet Classification of Cash and Cash Equivalents				
Cash	\$2,748,645	\$4,514,997	\$7,263,642	\$45,441
Restricted Cash	0	893,255	893,255	0
Restricted Cash with Fiscal Agent	1,235	38,959	40,194	0
Total Cash and Cash Equivalents	\$2,749,880	\$5,447,211	\$8,197,091	\$45,441

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, 2019*

	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	\$187,948	\$556,694	\$744,642	\$0
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expense	332,256	797,499	1,129,755	0
Change in				
Receivables	5,168	1,562	6,730	0
Due from other funds	1,212	70,155	71,367	0
Due from other governments	0	(326,838)	(326,838)	0
Prepaid expenses	2,534	(10,104)	(7,570)	0
Deferred pension amounts	(23,491)	(11,886)	(35,377)	0
Accounts payable	15,839	314,655	330,494	0
Accrued payroll	623	141	764	0
Due to other funds	(4,960)	(1,939)	(6,899)	0
Customer deposits	610	0	610	0
Net pension liability	8,961	5,963	14,924	0
Total Adjustments	<u>338,752</u>	<u>839,208</u>	<u>1,177,960</u>	<u>0</u>
Net cash provided by operating activities	<u>\$526,700</u>	<u>\$1,395,902</u>	<u>\$1,922,602</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

*Statement of Assets and Liabilities
Fiduciary Funds
February 28, 2019*

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$31,966
Due from other funds	<u>1,574</u>
 Total Assets	 <u><u>\$33,540</u></u>
 Liabilities	
Due to other funds	\$6,903
Other liabilities	<u>26,637</u>
 Total Liabilities	 <u><u>\$33,540</u></u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

*Combined Statement of Net Position
Component Units
February 28, 2019*

	Downtown Development Authority	LDFA Water Plant	LDFA Global Alliance
Assets			
Cash and cash equivalents	\$132,102	\$190,670	\$2,610,157
Internal balances	0	0	0
Due from other governmental units	126,750	8,386	326,179
Restricted cash	0	0	101,553
Prepaid insurance	664	0	0
Capital assets, net of accumulated depreciation	0	0	4,358,741
Total Assets	259,516	199,056	7,396,630
Liabilities			
Accounts payable	6,312	0	0
Accrued interest	0	0	27,821
Due to other funds	761	0	0
Noncurrent liabilities:			
Due within one year	0	0	405,000
Due in more than one year (net of related discount)	0	0	1,782,000
Total Liabilities	7,073	0	2,214,821
Net Position			
Net investment in capital assets	0	0	2,163,741
Restricted for debt service	0	0	101,553
Unrestricted	252,443	199,056	2,916,515
Total Net Position	\$252,443	\$199,056	\$5,181,809

See accompanying notes to the basic financial statements

<u>Economic Development</u>	<u>Brownfield Redevelopment</u>	<u>Total</u>
\$81,340	\$894,051	\$3,908,320
0	0	0
0	14,329	475,644
0	0	101,553
0	0	664
<u>7,639,711</u>	<u>0</u>	<u>11,998,452</u>
7,721,051	908,380	16,484,633
0	0	6,312
0	0	27,821
0	0	761
0	0	405,000
<u>0</u>	<u>0</u>	<u>1,782,000</u>
0	0	2,221,894
7,639,711	0	9,803,452
0	908,380	1,009,933
81,340	0	3,449,354
<u>\$7,721,051</u>	<u>\$908,380</u>	<u>\$14,262,739</u>

VILLAGE OF DUNDEE

*Combined Statement of Activities
Component Units
Year Ended February 28, 2019*

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Downtown Development Authority				
Public Works	\$208,974	\$0	\$0	\$0
LDFA - Water Plant				
Public Works	200	0	0	0
LDFA - Global Alliance				
Public Works	157,658	0	0	0
Interest on long term debt	88,823	0	0	0
Total	<u>246,481</u>	<u>0</u>	<u>0</u>	<u>0</u>
Economic Development Corporation				
Public Works	278,353	0	0	0
Brownfield Redevelopment Corporation				
Public Works	<u>18,533</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total component units	<u>\$752,541</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

General revenues:

Property taxes

Local community stabilization share

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
(\$208,974)					(\$208,974)
	(\$200)				(200)
		(\$157,658)			
		(88,823)			
		<u>(246,481)</u>			(246,481)
			(\$278,353)		
				(\$18,533)	(18,533)
(208,974)	(200)	(246,481)	(278,353)	(18,533)	(752,541)
160,106	0	659,924	0	17,180	837,210
5,325	0	552,136	0	753	558,214
331	454	4,894	178	1,929	7,786
42,880	0	0	0	0	42,880
<u>0</u>	<u>(23,600)</u>	<u>(404,703)</u>	<u>0</u>	<u>0</u>	<u>(428,303)</u>
208,642	(23,146)	812,251	178	19,862	1,017,787
(332)	(23,346)	565,770	(278,175)	1,329	265,246
<u>252,775</u>	<u>222,402</u>	<u>4,616,039</u>	<u>7,999,226</u>	<u>907,051</u>	<u>13,997,493</u>
<u>\$252,443</u>	<u>\$199,056</u>	<u>\$5,181,809</u>	<u>\$7,721,051</u>	<u>\$908,380</u>	<u>\$14,262,739</u>

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2019

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, 2019

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, 2019

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.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

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

Industrial Park/Equipment Purchase Fund, Economic Development Fund, and Sewer Separation and Street Rehabilitation Fund.

Debt Service Funds

1998 General Obligation Fund, 2001 Special Assessment Fund, 2006 Capital Improvement General Obligation Fund, 2008 Pearl Street Special Assessment Fund, 2008 Oak/Plank Special Assessment Fund, 2013 Refunding General Obligation Fund, 2014 Honeywell Installment Loan Fund, 2015 Vactor Installment Loan, and 2016 Polaris Lease Purchase.

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, 2019*

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 capital 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, 2019

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. The value of artifacts and works of art are not included in amounts reported for capital assets.

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.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 2 Summary of Significant Accounting Policies (Concluded)

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

Compensated Absences

Village employees are granted vacation and personal days under formulas and conditions in the employee's 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.

Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received but not yet earned. Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue also arises 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.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

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.

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.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 4 **Deposits (Continued)**

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.

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, 2019, the carrying amount of deposits (cash, certificates of deposits, checking accounts, savings accounts and money markets) for the government and component units were \$14,026,933 and \$4,009,873, respectively. The combined bank balance was \$18,092,505. The Village's deposits are insured by the FDIC in the amount of \$418,865, with uninsured deposits of \$17,673,640. 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.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 4 Deposits (Concluded)

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	\$5,829,842	\$7,263,642	\$13,093,484	\$31,966	\$3,908,320
Restricted Cash	-	933,449	933,449	-	101,553
	<u>\$5,829,842</u>	<u>\$8,197,091</u>	<u>\$14,026,933</u>	<u>\$31,966</u>	<u>\$4,009,873</u>

Note 5 Interfund Receivable, Payable and Transfers

Interfund receivable and payable balances as of February 28, 2019 were:

	Interfund Receivables	Interfund Payables
General Fund:		
Major Street Fund	\$9,660	
Local Street Fund	6,902	
Tax	741	
Water Fund	7,773	
Sewer Fund	11,451	
A/P T&A Fund:	123	
Payroll Fund	37	\$18,500
Municipal Street Fund		29,659
Building Fund	10,000	
Downtown Development Authority		10,748
Municipal Street Fund:		
General Fund	29,659	
Downtown Development Authority		4,486
Major Street Fund:		
General Fund		9,660
Local Street Fund:		
General Fund		6,902
Building Fund:		
General Fund		10,000
Downtown Development Authority:		
General Fund	10,748	
Municipal Street Fund	4,486	
General Fund		741
W/S T & A:		
Sewer Fund		3,189
Water Fund		2,612
Payroll Fund:		
General Fund	18,500	37
Sewer Fund	700	
Water Fund	874	

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2019

Note 5 Interfund Receivable, Payable and Transfers (Continued)
Interfund receivable and payable balances as of February 28, 2019 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Water Fund:		
W/S T & A	\$2,612	\$874
Sewer Fund		4,219
General Fund		7,773
A/P T&A Fund:		
General Fund		123
Sewer Fund:		
General Fund		11,451
Payroll Fund		700
Water Fund	4,219	
W/S T & A Fund	3,189	
	<u>\$121,674</u>	<u>\$121,674</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 5 **Interfund Receivable, Payable and Transfers (Continued)**

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

Interfund transfers were as follows:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>	
General Fund	Parks and Recreation Fund	\$10,000	(2)
	Historical Commission Fund	38,000	(2)
	2016 Polaris Lease Purchase	9,384	(1)
	2015 Vactor Installment Loan	34,290	(3)
	2013 Refunding General Obligation	221,000	(3)
	2006 Capital Improvement		
	General Obligation	99,000	(3)
	2014 Honeywell Installment	<u>42,022</u>	(3)
Total General Fund		453,696	
Municipal Street Fund	Major Street Fund	400,000	(4)
	Local Street Fund	<u>200,000</u>	(4)
Total Municipal Street Fund		600,000	
Local Street Fund	2008 Special Assessment Bonds		
	(Pearl Street)	15,000	(3)
	(Oak/Plank)	<u>8,063</u>	(3)
Total Local Street Fund		23,063	
Building Fund	General Fund	10,000	(5)
Sewer Separation and Street Rehabilitation Fund	Sewer Enterprise Fund	1,916	(7)
Sewer Enterprise Fund	2014 Honeywell Installment Fund	17,982	(3)
1998 G.O. Bonds	Industrial Park/Equipment Purchase Fund	7,985	(6)
2001 Special Assessment Bonds	2013 Refunding General Obligation	22,891	(3)
LDFA #3 - Global Engine Alliance	General Fund	11,000	(5)
	LDFA #3 Debt Fund	491,269	(3)
	Sewer Enterprise Fund	<u>393,703</u>	(3)
Total LDFA #3 Fund		895,972	
LDFA - Water Plant	General Fund	500	(3)
	Water Enterprise Fund	<u>23,100</u>	(3)
Total LDFA – Water Plant		23,600	
 Total		 <u>\$2,057,105</u>	

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2019

Note 5 Interfund Receivable, Payable and Transfers (Concluded)

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
- (7) Transfer for sewer construction balance to be included with the Sewer Enterprise Fund per GASB Statement No. 34

Note 6 Property Tax

The Village, under Public Act 539 of 1982, may levy up to 11.4272 mills for general purposes, and 4.5708 mills for highways and streets. Taxes are levied on July 1, each year and are collected by the Village from July 1 to September 14.

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

The taxable value for both real and personal property as of December 31, 2017 amounted to \$191,648,592 which was based on a percentage of the fair market value of the assessed property. The 2018 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	

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

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, 2019, the Downtown Development Fund recorded \$160,106 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, 2019, 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, 2019, the Local Development Finance Authority (Global Engine Project) recorded \$659,924 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, 2019, the Authority recorded \$17,180 in property tax revenue.

Note 8 Due from Other Governments

Due from other governments in the Downtown Development, Local Development Finance Component Units, 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 \$475,644.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 9 Capital Assets

Capital asset activity for the year ended February 28, 2019 was as follows:

	<u>Balance</u> <u>March 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>February 28, 2019</u>
Governmental Activities				
Capital assets not depreciated:				
Land	\$671,733	\$0	\$7,400	\$664,333
Capital assets being depreciated				
Land improvements	106,686	74,488	0	181,174
Infrastructure, roads, drains, and storm sewers	16,449,758	606,043	0	17,055,801
Buildings	4,416,241	0	0	4,416,241
Improvements other than buildings	1,636,756	0	0	1,636,756
Equipment	455,045	31,791	0	486,836
Vehicles	932,049	0	15,396	916,653
Totals at historical cost	24,668,268	712,322	22,796	25,357,794
Less accumulated depreciation for				
Land improvements	(34,894)	(7,424)	0	(42,318)
Infrastructure, roads, drains, and storm sewers	(4,821,367)	(499,105)	0	(5,320,472)
Buildings	(1,662,347)	(138,548)	0	(1,800,895)
Improvements other than buildings	(1,019,691)	(49,509)	0	(1,069,200)
Equipment	(421,437)	(17,441)	0	(438,878)
Vehicles	(699,550)	(78,061)	(15,396)	(762,215)
Total accumulated depreciation	(8,659,286)	(790,088)	(15,396)	(9,433,978)
Net capital assets	\$16,008,982	(\$77,766)	\$7,400	\$15,923,816

Depreciation expense was charged to governmental functions as follows:

General government	\$96,240
Public safety	12,591
Public works	622,209
Culture and recreation	59,048
Total depreciation expense	\$790,088

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 9 Capital Assets (Continued)

	<u>Balance</u>			<u>Balance</u>
	<u>March 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>February 28, 2019</u>
<u>Business-type Activities</u>				
Capital assets not depreciated:				
Land	\$131,566	\$0	0	\$131,566
Construction in process	3,240,898	4,406,929	0	7,647,827
Capital assets being depreciated:				
Vehicles and equipment	625,423	33,675	17,933	641,165
Buildings and improvements	19,653,040	0	0	19,653,040
Water and sewer lines	20,478,512	430,582	0	20,909,094
Totals at historical costs	<u>44,129,439</u>	<u>4,871,186</u>	<u>17,933</u>	<u>48,982,692</u>
Less accumulated depreciation for:				
Vehicles and equipment	(515,329)	(36,718)	(17,933)	(534,114)
Buildings and improvements	(9,728,890)	(552,088)	0	(10,280,978)
Water and sewer lines	(5,807,128)	(540,949)	0	(6,348,077)
Total accumulated depreciation	<u>(16,051,347)</u>	<u>(1,129,755)</u>	<u>(17,933)</u>	<u>(17,163,169)</u>
Business-Type Activities - Net				
Capital Assets	<u>\$28,078,092</u>	<u>\$3,741,431</u>	<u>35,866</u>	<u>\$31,819,523</u>

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

Water	\$332,256
Sewer	797,499
Total depreciation expense	<u>\$1,129,755</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 9 Capital Assets (Concluded)

	Balance March 1, 2018	Additions	Deletions	Balance February 28, 2019
<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	(766,744)	(47,921)	0	(814,665)
Storm Sewers	(585,818)	(36,614)	0	(622,432)
Streets and ramps	(3,084,773)	(193,118)	0	(3,277,891)
Totals accumulated depreciation	(4,437,335)	(277,653)	0	(4,714,988)
EDC - Net Capital Assets	\$7,917,364	(\$277,653)	\$0	\$7,639,711
Depreciation expense charged to public works		\$277,653		
<u>LDFA #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	(1,751,614)	(157,158)	0	(1,908,772)
LDFA #3 - Net Capital Assets	\$4,515,899	(\$157,158)	\$0	\$4,358,741
Depreciation expense charged to public works		\$157,158		

Note 10 Employee's Defined Benefit Pension Plan
Plan Description

The Village of Dundee Participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees Retirement System (MERS) of Michigan. MERS is a statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. The system also provides death and disability benefits. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmichigan.com.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2019

Note 10 Employee’s Defined Benefit Pension Plan (Continued)

Benefits Provided

Benefit provisions and all other requirements are established by state statute and Village council resolution. The defined benefit covers all full-time employees. Covered employees are eligible to retire at age 60 with 10 or more years of credited service or age 55 with 15 or more years of credited service or age 50 with 25 or more years of credited service. Monthly benefits are calculated by multiplying the member’s five-year final average compensation by the years of credited service not to exceed 30 years, payable until the attainment of 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 death and disability benefits. Benefits are established by the State statute and village council resolution.

Employees covered by benefit terms - At the December 31, 2017 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>8</u>
Total employees covered by MERS	<u><u>25</u></u>

Contributions - All full-time employees contribute 7% of their salary 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. For year ended December 31, 2018, the Village’s average contribution was 19.65% of annual payroll. The contribution requirements of plan members and the Village are established by the Village and by MERS Council of Trustees. In addition to the average contribution, the Village made extra contributions of \$125,000 for the year ended December 31, 2018.

Net Pension Liability - The employer’s Net Pension Liability was measured as of December 31, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions – The Total pension liability in the December 31, 2017 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: 3.75% in the long term

Investment rate of return: 7.75%, net of investment expense, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%. Mortality rates used were based in the 2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study 2009 to 2013.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2019

Note 10 Employee's Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Concluded)

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment, and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	55.50%	3.41%
Global Fixed Income	18.50%	0.23%
Real Assets	13.50%	0.97%
Diversifying Strategies	12.50%	0.63%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability is 8.00%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability - The net pension liability reported at February 28, 2019 was determined using a measure of the total pension liability and the plan fiduciary net position as of December 31, 2018. The December 31, 2018 total pension liability was determined by an actuarial valuation performed as of December 31, 2017.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 10 Employee's Defined Benefit Pension Plan (Continued)

Net Pension Liability (Concluded)

Changes in the net pension liability during the measurement year were as follows:

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at 12/31/17	\$4,043,984	\$2,414,707	\$1,629,277
Service cost	40,318	0	40,318
Interest on total pension liability	312,283	0	312,283
Difference between expected and actual experience	21,175	0	21,175
Employer contributions	0	211,396	(211,396)
Employee contributions	0	31,390	(31,390)
Net investment income	0	(92,069)	92,069
Benefit payments, including employee refunds	(321,211)	(321,211)	0
Administrative expense	0	(4,591)	4,591
Other changes	426	0	426
Net changes	52,991	(175,085)	228,076
Balances as of 12/31/18	<u>\$4,096,975</u>	<u>\$2,239,622</u>	<u>\$1,857,353</u>

Of total net pension liability of \$1,857,353 at 12/31/18, \$1,504,085 has been allocated to governmental activities, \$212,295 has been allocated to the Water Department, and \$140,973 has been allocated to the Sewer Department.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended, February 28, 2019, the Village recognized pension expense of \$255,264. At February 28, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Net differences between projected and actual plan investments earnings	\$170,490	\$0
Differences in experience	16,252	0
Differences in assumptions	43,688	0
Employer contributions to the plan subsequent to the measurement date	<u>39,930</u>	<u>0</u>
	<u>\$270,360</u>	<u>\$0</u>

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2019

Note 10 Employee's Defined Benefit Pension Plan (Concluded)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded)

Of the total deferred outflows of resources, \$218,938 has been allocated to governmental activities, \$30,902 has been allocated to the Water Department, and \$20,520 has been allocated to the Sewer Department.

Amounts reported as deferred outflows and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$39,930), which will impact the net pension liability in fiscal year 2020, rather than pension expense.

<u>Year ended February 28,</u>	<u>Amount</u>
2020	\$118,892
2021	22,357
2022	32,796
2023	56,385

Sensitivity of the Net Pension Liability to changes in the discount rate - The following presents the Net Pension Liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (7.00%) or 1% higher (9.00%) than the current rate.

	<u>1% Lower (7.00%)</u>	<u>Discount Rate (8.00%)</u>	<u>1% Higher (9.00%)</u>
Net pension liability (asset) of the Village	<u>\$2,239,587</u>	<u>\$1,857,353</u>	<u>\$1,529,218</u>

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in a separately issued financial report. For the purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

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.

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2019

Note 11 Long-Term Debt

Following is a summary of changes in long-term debt:

	<u>Balance February 28, 2018</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance February 28, 2019</u>	<u>Due Within One Year</u>
2008 Capital Improvement Limited Tax General Obligation Bonds, bearing interest from 3.00% to 4.50%.	\$241,690	\$0	\$41,690	\$200,000	\$40,000
2009 Monroe County Sewage Disposal System Limited Tax General Obligation Bonds, bearing interest from 3.00% to 4.875%.	2,890,000	0	95,000	2,795,000	100,000
2010 Monroe County Water Limited Tax General Obligation Refunding Bonds, bearing interest from 2.00% to 4.25%.	2,125,000	0	205,000	1,920,000	215,000
2012 Monroe County Sewage Disposal System Limited Tax General Obligation Refunding Bonds, bearing interest at 2.42%.	2,185,000	0	345,000	1,840,000	350,000
2015 Sewage Disposal System Limited Tax General Obligation Bonds, bearing interest at 2.50%.	4,221,043	0	190,000	4,031,043	180,000
2017 Sewage Disposal System Limited Tax General Obligation Bonds, bearing interest at 2.50%.	<u>3,315,697</u>	<u>4,357,722</u>	<u>0</u>	<u>7,673,419</u>	<u>315,000</u>
Total Bonds and Contracts	14,978,430	4,357,722	876,690	18,459,462	1,200,000
Unamortized Issuance Discount	(46,013)	0	(4,443)	(41,570)	(4,443)
Compensated Absences	<u>7,300</u>	<u>7,125</u>	<u>7,300</u>	<u>7,125</u>	<u>7,125</u>
Total Business-type Activities	<u>14,939,717</u>	<u>4,364,847</u>	<u>879,547</u>	<u>18,425,017</u>	<u>1,202,682</u>

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2019

Note 11 Long-Term Debt (Continued)

	<u>Balance February 28, 2018</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance February 28, 2019</u>	<u>Due Within One Year</u>
2015 Installment purchase agreement with US Bank for the purchase of a 2011 Vactor truck Payments are made annually With interest at 2.760%.	\$157,870	\$0	\$29,877	\$127,993	\$30,712
2006 Capital Improvement Limited Tax General Obligation Bonds, bearing interest at 3.75% to 4.50%.	785,000	0	65,000	720,000	65,000
2008 Special Assessment Limited Tax General Obligation Bonds, (Pearl) bearing interest at 2.75% to 4.25%.	16,250	0	16,250	0	0
2017 Installment lease purchase agreement with TCF Equipment Finance for the lease purchase of a 2016 Polaris Ranger Payments are made annually with interest at 7.18%.	16,923	0	8,168	8,755	8,755

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 11 Long-Term Debt (Continued)

	<u>Balance February 28, 2018</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance February 28, 2019</u>	<u>Due Within One Year</u>
2008 Capital Improvement Limited Tax General Obligation Bonds, bearing interest at 2.75% to 4.50%	\$107,060	\$0	\$17,060	\$90,000	\$15,000
2008 Special Assessment Limited Tax General Obligation Bonds, (Oak/Plank) bearing interest at 4.50%.	175,000	0	25,000	150,000	25,000
2008 Capital Improvement Limited Tax General Obligation Bonds, bearing interest at 4.50%	65,000	0	5,000	60,000	10,000
2013 General Obligation Refund Bonds (Refunding 2005 G.O and 2007 G.O. Capital Improvement Limited Tax General Obligation Bonds, bearing interest at %	925,000	0	200,000	725,000	200,000
2014 Installment Purchase agree- ment with Pinnacle Public Finance for the purchase of energy improve- ments. Payments are made annually with Bonds, bearing interest from 3.1%	<u>552,122</u>	<u>0</u>	<u>42,887</u>	<u>509,235</u>	<u>44,217</u>
Total Bonds and Installment Obligations	2,800,225	0	409,242	2,390,983	398,684
Compensated Absences	<u>51,564</u>	<u>53,227</u>	<u>51,564</u>	<u>53,227</u>	<u>53,227</u>
Total Governmental Activities	<u>2,851,789</u>	<u>53,227</u>	<u>460,806</u>	<u>2,444,210</u>	<u>451,911</u>

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2019

Note 11 Long-Term Debt (Continued)

	Balance February 28, 2018	<u>Additions</u>	<u>Retired</u>	Balance February 28, 2019	Due Within One Year
Local Development Finance Authority Component Unit 2005 Global Engine Refunding Bonds, bearing interest from 3.50% to 4.50%. (Tax Exempt)	\$1,000,000	\$0	\$150,000	\$850,000	\$155,000
2004 Local Development Finance Authority Monroe Bank & Trust Bonds, bearing interest from 4.00% to 5.00%. (Tax Exempt)	150,000	0	25,000	125,000	25,000
2013 Local Development Finance Authority Advance Refunding Monroe Bank & Trust Bonds, bearing interest from 1.25% to 3.75% (Tax Exempt)	<u>1,445,000</u>	<u>0</u>	<u>225,000</u>	<u>1,220,000</u>	<u>225,000</u>
Total Bonds and Contracts	2,595,000	0	400,000	2,195,000	405,000
Unamortized Issuance Discount	<u>(9,600)</u>	<u>0</u>	<u>(1,600)</u>	<u>(8,000)</u>	<u>(1,600)</u>
Total Component Unit	<u>2,585,400</u>	<u>0</u>	<u>398,400</u>	<u>2,187,000</u>	<u>403,400</u>
Total	<u>\$20,376,906</u>	<u>\$4,418,074</u>	<u>\$1,738,753</u>	<u>\$23,056,227</u>	<u>\$2,057,993</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 11 Long-Term Debt (Continued)

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>
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>\$200,000</u>	<u>\$22,300</u>	<u>\$222,300</u>

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>
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	6,216	261,216
	<u>\$2,795,000</u>	<u>\$1,249,807</u>	<u>\$4,044,807</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

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>
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
	\$1,920,000	\$319,150	\$2,239,150

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.

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>
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
	\$1,840,000	\$113,135	\$1,953,135

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 11 Long-Term Debt (Continued)

2015 Sewage Disposal System Revenue Bonds (2015 Sanitary Sewer Collection System and Plant Improvements) June 25, 2015, as part of a State Revolving Loan Funded Project, in the aggregate amount of \$4,556,043 for the purpose of acquisition, construction, furnishing, and equipping of improvements to the existing storm and sanitary sewer facilities in the Village of Dundee. As of February 28, 2018, total draws from the State Revolving fund Loan Program were \$4,556,043. Of this amount \$150,000 of principal was forgiven through the State Revolving Fund.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2020	\$180,000	\$98,526	\$278,526
2021	185,000	93,963	278,963
2022	190,000	89,276	279,276
2023	195,000	84,564	279,564
2024	200,000	79,526	279,526
2025	205,000	74,464	279,464
2026	210,000	68,276	278,276
2027	215,000	63,964	278,964
2028	220,000	58,526	278,526
2029	225,000	52,964	277,964
2030	230,000	47,276	277,276
2031	235,000	41,464	276,464
2032	240,000	35,526	275,526
2033	250,000	29,401	279,401
2034	255,000	23,089	278,089
2035	260,000	16,651	276,651
2036	265,000	10,089	275,089
2037	271,043	3,388	274,431
	<u>\$4,031,043</u>	<u>\$970,933</u>	<u>\$5,001,976</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 11 Long-Term Debt (Continued)

2017 Sewage Disposal System Junior Lien Revenue Bonds, Series 2017(2017 Sanitary Sewer Collection System and Plant Improvements) April 10, 2017, as part of a State Revolving Loan Funded Project, in the aggregate amount of \$8,050,000 for the purpose of acquisition, construction, furnishing, and equipping of improvements to the existing sewage disposal system in the Village of Dundee. As of February 28, 2018, total draws from the State Revolving fund Loan Program were \$7,673,419.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2020	\$315,000	\$176,485	\$491,485
2021	320,000	174,540	494,540
2022	330,000	166,540	496,540
2023	335,000	158,290	493,290
2024	345,000	149,915	494,915
2025	355,000	141,290	496,290
2026	365,000	132,415	497,415
2027	375,000	123,290	498,290
2028	380,000	113,915	493,915
2029	390,000	104,415	494,415
2030	400,000	94,665	494,665
2031	410,000	84,665	494,665
2032	420,000	74,415	494,415
2033	430,000	63,915	493,915
2034	445,000	53,165	498,165
2035	455,000	42,040	497,040
2036	465,000	30,665	495,665
2037	475,000	19,040	494,040
2038	490,000	7,165	497,165
2039	173,419	5,085	178,504
	<u>\$7,673,419</u>	<u>\$1,915,915</u>	<u>\$9,589,334</u>

2015 Installment Purchase agreement with US Bank dated September 29, 2015 for \$249,500 to finance the purchase of a 2011 International vector truck.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2020	\$30,712	\$3,578	\$34,290
2021	97,281	2,719	100,000
	<u>\$127,993</u>	<u>\$6,297</u>	<u>\$134,290</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

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>
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
	<u>\$720,000</u>	<u>\$154,296</u>	<u>\$874,296</u>

2017 Lease Purchase agreement with TCF Equipment Finance dated June 9, 2017 for \$26,150 to finance the purchase of a 2016 Polaris Ranger.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2020	\$8,755	\$629	\$9,384

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

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>
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>\$90,000</u>	<u>\$10,725</u>	<u>\$100,725</u>

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>
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>\$150,000</u>	<u>\$20,251</u>	<u>\$170,251</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>
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>\$60,000</u>	<u>\$8,100</u>	<u>\$68,100</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

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>
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>\$725,000</u>	<u>\$52,041</u>	<u>\$777,041</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

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>
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
	<u>\$509,235</u>	<u>\$90,795</u>	<u>\$600,030</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 11 Long-Term Debt (Continued)

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 improvements to assist in the Global Engine Project.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
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
	<u>\$850,000</u>	<u>\$97,369</u>	<u>\$947,369</u>

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>
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>\$125,000</u>	<u>\$15,375</u>	<u>\$140,375</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 new debt service payments) of \$158,700.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
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>\$1,220,000</u>	<u>\$112,728</u>	<u>\$1,332,728</u>

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 11 Long-Term Debt (Concluded)

The annual requirements to pay principal and interest on the long-term debt outstanding at February 28, 2019, excluding compensated absences, are as follows:

Activities Business-type:

Fiscal Years	Enterprise Fund		
	Principal	Interest	Total
2020	\$1,200,000	\$523,060	\$1,723,060
2021	1,240,000	494,434	1,734,434
2022	1,275,000	458,301	1,733,301
2023	1,320,000	420,275	1,740,275
2024	1,340,000	380,597	1,720,597
2025-2029	4,535,000	1,421,175	5,956,175
2030-2034	4,440,000	753,058	5,193,058
2035-2039	3,109,462	140,338	3,249,800
	\$18,459,462	\$4,591,238	\$23,050,700

Governmental Activities:

Fiscal Years	Principal	Interest	Total
2020	\$398,684	\$77,822	\$476,506
2021	472,868	64,933	537,801
2022	217,001	52,294	269,295
2023	223,458	44,029	267,487
2024	1,020,774	102,252	1,123,026
2025-2029	58,198	1,805	60,003
	\$2,390,983	\$343,135	\$2,734,118

Component Units:

Fiscal Years	Principal	Interest	Total
2020	\$405,000	\$77,440	\$482,440
2021	420,000	62,827	482,827
2022	440,000	46,638	486,638
2023	455,000	28,812	483,812
2024	475,000	9,756	484,756
	\$2,195,000	\$225,473	\$2,420,473

VILLAGE OF DUNDEE

Notes to Financial Statements
Year Ended February 28, 2019

Note 12 Lease Commitments

Operating Leases

The Village had entered into an operating lease with TAMCO Capital Corporation for the use of communications equipment provided by Frontier Communications. The lease term is (60) months ending in February 2021. Annual payment requirements under the terms of the lease are as follows:

<u>Fiscal Year</u>	<u>Annual Requirements</u>
2020	\$5,408
2021	5,408

The Village had entered into an operating lease with Deere Credit, Inc. for the use of a loader / Backhoe. The lease term is (60) months ending in June 2021. Annual payment requirements under the terms of the lease are as follows:

<u>Fiscal Year</u>	<u>Annual Requirements</u>
2020	\$6,470
2021	6,470

Lease expense for the year ended February 28, 2019 was \$11,878.

Total annual lease commitments over the next two years are as follows:

<u>Fiscal Year</u>	<u>Annual Requirements</u>
2020	\$11,878
2021	11,878

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 13 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 14 Segment Information for Enterprise Fund

The Village maintains two Enterprise Funds which provides water and sewer services to Village residents. Segment information for the year ended February 28, 2019 follows:

	<u>Combined</u>	<u>Water</u>	<u>Sewer</u>
Operating revenues	\$3,728,014	\$1,501,145	\$2,226,869
Depreciation and amortization	1,134,198	335,149	799,049
Operating income (loss)	744,642	187,948	556,694
Net income (loss) before contributions and transfers	334,706	142,395	192,311
Property and equipment additions	4,871,186	243,395	4,627,791
Bonds and contracts payables	18,417,892	2,001,680	16,416,212
Net working capital	6,509,598	2,700,149	3,809,449
Total assets	41,146,550	9,283,408	31,863,142
Total net position	21,450,063	6,997,724	14,452,339

Note 15 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 \$6,592 in the Water Enterprise Fund and \$533 in the Sewage Disposal Enterprise Fund at February 28, 2019. Vacation pay of approximately \$53,227 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 16 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, 2019, the Village paid \$0 in reimbursements to the Michigan Unemployment Insurance Agency.

Note 17 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, 2019*

Note 18 Excess of Expenditures over Appropriations

During the year ended February 28, 2019, the Village incurred the following instance of expenditures in excess of the amounts appropriated.

Fund	Appropriation	Expenditures	Excess Expenditures
General Fund	\$1,990,938	\$2,081,973	\$91,035

Note 19 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 20 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.

Note 21 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.

VILLAGE OF DUNDEE

*Notes to Financial Statements
Year Ended February 28, 2019*

Note 22 Tax Abatements

The Village of Dundee entered into property tax abatement agreements with local businesses under the Industrial Facilities Tax Exemption, P.A. 198 of 1974, M.C.L. 207.551 et seq and the New Personal Property Exemption, P.A. 328 of 1998, M.C.L. 211.9f, as amended. Under these exemptions, localities may grant property tax abatements of a business's property tax bill for the purpose of attracting or retaining businesses within their jurisdiction, and to any business located within or promising to relocate to the Village.

For the year ended February 28, 2019, the Village abated property taxes totaling approximately \$147,764 under these programs.

Note 23 Subsequent Events

The Village's management evaluated subsequent events from February 28, 2019 through June 24, 2019, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF DUNDEE

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$1,343,000	\$1,045,800	\$1,127,411	\$81,611
Licenses and permits:				
Business licenses and permits	62,010	62,010	77,635	15,625
State grants:				
State revenue sharing	318,000	318,000	355,801	37,801
Local community stabilization share	95,000	95,000	156,655	61,655
Liquor license fees	5,000	5,000	5,925	925
Department of justice	3,000	3,000	27,170	24,170
	421,000	421,000	545,551	124,551
Fines and forfeits:				
Fines	60,200	60,200	98,581	38,381
Interest and rentals:				
Interest	5,350	5,350	7,967	2,617
Equipment rental	185,000	185,000	262,358	77,358
Building rental	14,000	14,000	14,375	375
	204,350	204,350	284,700	80,350
Other revenue:				
Other revenue	96,020	96,020	119,652	23,632
	96,020	96,020	119,652	23,632
Total Revenues	2,186,580	1,889,380	2,253,530	364,150
Expenditures				
Legislative:				
Village president and council	18,695	18,695	21,677	(2,982)
General government:				
Village manager	99,885	99,885	88,781	11,104
Attorney	10,000	10,000	7,490	2,510
Accounting	7,200	7,200	7,000	200
Clerk - staff	157,190	157,190	130,768	26,422
Treasurer	680	680	352	328
Village hall and grounds	40,000	40,000	36,702	3,298
	314,955	314,955	271,093	43,862

VILLAGE OF DUNDEE

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures (Concluded)				
Public safety:				
Police protection	\$552,100	\$552,100	\$680,684	(\$128,584)
Blight inspector	1,965	1,965	1,937	28
Street lights	125,000	125,000	101,882	23,118
Building safety - fire warden	800	800	691	109
Engineering	36,747	36,747	35,323	1,424
	716,612	716,612	820,517	(103,905)
Public works	354,520	354,520	412,107	(57,587)
Economic development	57,705	57,705	70,370	(12,665)
Insurance (Bonds & Liability)	47,000	47,000	32,513	14,487
	1,509,487	1,509,487	1,628,277	(118,790)
Excess (Deficiency) of Revenues over Expenditures	677,093	379,893	625,253	245,360
Other Financing Sources (Uses)				
Operating transfers in	68,500	68,500	21,500	(47,000)
Operating transfers out	(778,651)	(481,451)	(453,696)	27,755
Total Other Financing Sources (Uses)	(710,151)	(412,951)	(432,196)	(19,245)
Net Change in Fund Balance	(33,058)	(33,058)	193,057	226,115
Fund Balances - Beginning of Year	33,058	33,058	2,319,066	2,286,008
Fund Balances - End of Year	\$0	\$0	\$2,512,123	\$2,512,123

VILLAGE OF DUNDEE

*Municipal Street Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$397,000	\$276,220	\$469,954	\$193,734
State Grant:				
Local community stabilization share	0	0	60,438	60,438
Interest	500	500	1,944	1,444
Other	8,000	8,000	6,571	(1,429)
Total Revenues	<u>405,500</u>	<u>284,720</u>	<u>538,907</u>	<u>254,187</u>
Expenditures				
Public works:				
Construction	45,000	45,000	43,813	1,187
Administration and engineering	3,700	3,700	1,100	2,600
Total Expenditures	<u>48,700</u>	<u>48,700</u>	<u>44,913</u>	<u>3,787</u>
Excess (Deficiency) of Revenues over Expenditures	356,800	236,020	493,994	257,974
Other Financing Sources (Uses)				
Operating transfers out	(846,780)	(726,000)	(600,000)	126,000
Net Change in Fund Balance	(489,980)	(489,980)	(106,006)	383,974
Fund Balance - Beginning of Year	489,980	489,980	983,112	493,132
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$877,106</u>	<u>\$877,106</u>

VILLAGE OF DUNDEE

*Major Street Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
State grants:				
Gas and weight tax	\$245,000	\$245,000	\$339,703	\$94,703
Other state source	0	0	72,401	72,401
Interest	600	600	2,203	1,603
Other	47,220	47,220	53,797	6,577
Total Revenues	<u>292,820</u>	<u>292,820</u>	<u>468,104</u>	<u>175,284</u>
Expenditures				
Public works:				
Construction	515,153	701,153	694,193	6,960
Routing maintenance - roads and streets	367,400	367,400	259,396	108,004
Traffic services - maintenance	2,839	2,839	1,156	1,683
Winter maintenance	32,689	32,689	33,487	(798)
Roadside parks and parkways	106,277	102,195	99,464	2,731
Administration, engineering and recordkeeping	33,190	33,190	28,252	4,938
Total Expenditures	<u>1,057,548</u>	<u>1,239,466</u>	<u>1,115,948</u>	<u>123,518</u>
Excess (Deficiency) of Revenues over Expenditures	(764,728)	(946,646)	(647,844)	298,802
Other Financing Sources (Uses)				
Operating transfers in	500,000	500,000	400,000	(100,000)
Operating transfer out	(1,000)	(1,000)	0	1,000
Total Other Financing Sources (Uses)	<u>499,000</u>	<u>499,000</u>	<u>400,000</u>	<u>(99,000)</u>
Net Change in Fund Balance	(265,728)	(447,646)	(247,844)	199,802
Fund Balance - Beginning of Year	<u>265,728</u>	<u>447,646</u>	<u>1,372,331</u>	<u>924,685</u>
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$1,124,487</u>	<u>\$1,124,487</u>

VILLAGE OF DUNDEE

*Local Street Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
State grants:				
Gas and weight tax	\$82,000	\$82,000	\$120,716	\$38,716
Other State Source	\$0	\$0	\$15,667	\$15,667
Interest	100	100	598	498
Other revenues	<u>20,135</u>	<u>20,135</u>	<u>25,462</u>	<u>5,327</u>
Total Revenues	102,235	102,235	162,443	60,208
Expenditures				
Public works:				
Construction - contractual services	18,415	18,415	4,585	13,830
Routing maintenance - roads and streets	249,861	249,861	203,335	46,526
Traffic services - maintenance	1,556	1,556	347	1,209
Winter maintenance	26,412	26,412	27,510	(1,098)
Administration, engineering and recordkeeping	<u>31,813</u>	<u>31,813</u>	<u>32,354</u>	<u>(541)</u>
Total Expenditures	<u>328,057</u>	<u>328,057</u>	<u>268,131</u>	<u>59,926</u>
Excess (Deficiency) of Revenues over Expenditures	(225,822)	(225,822)	(105,688)	120,134
Other Financing Sources (Uses)				
Operating transfers in	225,000	225,000	200,000	(25,000)
Operating transfers out	<u>(24,063)</u>	<u>(24,063)</u>	<u>(23,063)</u>	<u>1,000</u>
Total Other Financing Sources (Uses)	<u>200,937</u>	<u>200,937</u>	<u>176,937</u>	<u>(24,000)</u>
Net Change in Fund Balance	(24,885)	(24,885)	71,249	96,134
Fund Balance - Beginning of Year	<u>24,885</u>	<u>24,885</u>	<u>263,740</u>	<u>238,855</u>
Fund Balance - End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$334,989</u></u>	<u><u>\$334,989</u></u>

VILLAGE OF DUNDEE

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
Municipal Employees' Retirement System of Michigan
Last 10 Fiscal Years (Amounts determined as of 12/31 of each year)

	2018	2017	2016	2015
Total Pension Liability				
Service Cost	\$40,318	\$45,837	\$45,172	\$42,319
Interest	312,283	308,907	292,091	288,145
Changes of Benefit Terms	0	0	0	0
Difference between expected and actual experience	21,175	(9,767)	28,075	0
Changes of assumptions	0	0	174,752	0
Benefit payments including employee refunds	(321,211)	(324,726)	(295,740)	(319,834)
Other	426	22,951	(19,992)	25,222
Net Change in Total Pension Liability	52,991	43,202	224,358	35,852
Total Pension Liability - Beginning of year	4,043,984	4,000,782	3,776,424	3,740,572
Total Pension Liability - End of year	<u>\$4,096,975</u>	<u>\$4,043,984</u>	<u>\$4,000,782</u>	<u>\$3,776,424</u>
Plan Fiduciary Net Position				
Contributions - employer	\$211,396	\$74,930	\$75,572	\$71,757
Contributions - employee	31,390	30,851	34,313	36,356
Net investment income	(92,069)	296,358	250,254	(35,054)
Administrative expenses	(4,591)	(4,715)	(4,949)	(5,342)
Benefit payments, including refunds	(321,211)	(324,726)	(295,740)	(319,834)
Net Change in Plan Fiduciary Net Position	(175,085)	72,698	59,450	(252,117)
Plan Fiduciary Net Position - Beginning of year	2,414,707	2,342,009	2,282,559	2,534,676
Plan Fiduciary Net Position - End of year	<u>\$2,239,622</u>	<u>\$2,414,707</u>	<u>\$2,342,009</u>	<u>\$2,282,559</u>
Township's Net Pension Liability - Ending	<u>\$1,857,353</u>	<u>\$1,629,277</u>	<u>\$1,658,773</u>	<u>\$1,493,865</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability				
Covered Employee Payroll	54.7%	59.7%	58.5%	60.4%
Township's Net Pension Liability as a percentage of Covered Employee Payroll	434,195	513,728	502,352	490,999
	427.8%	317.1%	330.2%	304.3%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE December 31, 2015.

VILLAGE OF DUNDEE

*Schedule of Employer's Contributions
Municipal Employees' Retirement System of Michigan
Last 10 Fiscal Years (Amounts determined as of 12/31 of each year)*

	2018	2017	2016	2015
Actuarial determined contributions	\$86,396	\$74,930	\$75,572	\$71,757
Contributions in relation to the actuarially determined contribution	211,396	74,930	75,572	71,757
Contribution deficiency (excess)	<u>(\$125,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Notes to Schedule of Village Contributions

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	23
Asset valuation method	10 year smoothed
Inflation	3% - 4%
Salary increases	4.50%
Investment rate of return	8.00%
Retirement age	Normal age is 60, or 50 with 25 years of service, or 55 with 15 years of service
Mortality	50% female/50% male 1994 Group Annuity Mortality Table

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE December 31, 2015.

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF DUNDEE

General Fund
 Detailed Statement of Expenditures
 Budget and Actual
 Year Ended February 28, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Village president and council:				
President's fees/council fees	\$16,000	\$16,000	\$17,270	(\$1,270)
FICA expense	1,225	1,225	1,321	(96)
Computer/software	500	500	0	500
Travel/conferences	200	200	1,070	(870)
Telephone and internet	650	650	450	200
Miscellaneous	120	120	1,566	(1,446)
	<u>18,695</u>	<u>18,695</u>	<u>21,677</u>	<u>(2,982)</u>
Village manager:				
Manager's salary	41,500	41,500	36,571	4,929
FICA expense	3,175	3,175	2,761	414
Life insurance	660	660	644	16
Retirement	42,600	42,600	37,160	5,440
Contractual	0	0	375	(375)
Supplies and postage	1,000	1,000	414	586
Conference and seminars	750	750	971	(221)
Telephone and internet	7,800	7,800	6,524	1,276
Travel expense	500	500	119	381
Dues	1,500	1,500	2,707	(1,207)
Miscellaneous	400	400	535	(135)
	<u>99,885</u>	<u>99,885</u>	<u>88,781</u>	<u>11,104</u>
Attorney:				
Legal advisor	10,000	10,000	7,490	2,510
Accounting	7,200	7,200	7,000	200
Clerk-staff:				
Fees elected	2,300	2,300	2,685	(385)
Wages clerical	59,000	59,000	60,717	(1,717)
FICA expense	4,690	4,690	4,791	(101)
Hospitalization insurance	12,100	12,100	9,664	2,436
Life insurance	500	500	298	202
Retirement contribution	50,000	50,000	33,830	16,170
Supplies	6,000	6,000	7,759	(1,759)
Computer/software costs	3,000	3,000	2,740	260
Contractual	4,000	4,000	333	3,667
Telephone and internet	5,100	5,100	5,008	92
Equipment maintenance	6,200	6,200	1,666	4,534

VILLAGE OF DUNDEE

General Fund
 Detailed Statement of Expenditures
 Budget and Actual (Continued)
 Year Ended February 28, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Original		
Clerk-staff (concluded):				
Publishing	\$500	\$500	\$592	(\$92)
Conferences and training	500	500	120	380
Miscellaneous	1,125	1,125	230	895
Dues	175	175	335	(160)
Capital outlay	2,000	2,000	0	2,000
	<u>157,190</u>	<u>157,190</u>	<u>130,768</u>	<u>26,422</u>
Treasurer:				
Supplies	300	300	166	134
Tax bill preparation	380	380	186	194
	<u>680</u>	<u>680</u>	<u>352</u>	<u>328</u>
Village hall and grounds:				
Utilities	16,000	16,000	15,182	818
Repairs and maintenance	24,000	24,000	21,520	2,480
	<u>40,000</u>	<u>40,000</u>	<u>36,702</u>	<u>3,298</u>
Police protection:				
Police salaries	380,300	380,300	482,919	(102,619)
FICA expense	29,100	29,100	36,428	(7,328)
Hospitalization insurance	51,000	51,000	37,828	13,172
Life insurance	1,000	1,000	727	273
Retirement	5,000	5,000	4,477	523
Supplies	6,000	6,000	8,159	(2,159)
Computer/software costs	2,500	2,500	3,568	(1,068)
Legal expenses	4,500	4,500	5,305	(805)
Contractual	500	500	714	(214)
Gas and oil	20,000	20,000	25,805	(5,805)
Auto maintenance	15,000	15,000	24,577	(9,577)
Dues	500	500	315	185
Conference and training	3,000	3,000	7,384	(4,384)
Radio maintenance	200	200	31	169
Telephone and internet	8,800	8,800	8,067	733
Utilities	3,000	3,000	2,338	662
Building maintenance	0	0	3,041	(3,041)
Equipment	10,000	10,000	10,511	(511)
Miscellaneous	5,200	5,200	7,408	(2,208)
Uniform expense	6,500	6,500	11,082	(4,582)
	<u>552,100</u>	<u>552,100</u>	<u>680,684</u>	<u>(128,584)</u>

VILLAGE OF DUNDEE

General Fund
 Detailed Statement of Expenditures
 Budget and Actual (Continued)
 Year Ended February 28, 2019

	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	137	3
Supplies	25	25	0	25
	<u>1,965</u>	<u>1,965</u>	<u>1,937</u>	<u>28</u>
Street lighting:				
Street lights	125,000	125,000	101,882	23,118
Building safety - fire warden:				
Inspectors' fees	650	650	642	8
FICA expense	50	50	49	1
Supplies	100	100	0	100
	<u>800</u>	<u>800</u>	<u>691</u>	<u>109</u>
Engineering:				
Wages	15,000	15,000	15,065	(65)
FICA expense	1,132	1,132	1,135	(3)
Life insurance	200	200	0	200
Retirement	4,000	4,000	803	3,197
Supplies	4,550	4,550	8,191	(3,641)
Computer/software costs	9,390	9,390	8,200	1,190
Conferences and training	500	500	40	460
Telephone and internet	800	800	990	(190)
Equipment	500	500	0	500
Miscellaneous	675	675	899	(224)
	<u>36,747</u>	<u>36,747</u>	<u>35,323</u>	<u>1,424</u>

VILLAGE OF DUNDEE

*General Fund
Detailed Statement of Expenditures
Budget and Actual (Concluded)
Year Ended February 28, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Public works:				
Maintenance wages	\$106,000	\$106,000	\$132,620	(\$26,620)
FICA expense	8,110	8,110	10,081	(1,971)
Hospitalization insurance	39,000	39,000	32,242	6,758
Life insurance	310	310	255	55
Retirement	60,000	60,000	56,729	3,271
Office supplies	1,000	1,000	5,531	(4,531)
Conferences and training	500	500	414	86
Telephone and internet	3,100	3,100	1,908	1,192
Radio maintenance	2,600	2,600	0	2,600
Gas and oil	16,000	16,000	24,370	(8,370)
Utilities	8,000	8,000	9,396	(1,396)
Building maintenance	10,000	10,000	10,049	(49)
Equipment maintenance	44,000	44,000	55,473	(11,473)
Tree trimming and purchases	15,000	15,000	11,780	3,220
Sanitation	1,900	1,900	1,328	572
Outside equipment rental	0	0	6,470	(6,470)
Miscellaneous	800	800	4,072	(3,272)
Uniform expense	3,000	3,000	2,936	64
New equipment	35,200	35,200	46,453	(11,253)
	<u>354,520</u>	<u>354,520</u>	<u>412,107</u>	<u>(57,587)</u>
Economic development:				
Contractual services	20,925	20,925	7,580	13,345
Community promotion	13,200	13,200	42,406	(29,206)
Legal	1,500	1,500	1,158	342
Engineering	1,000	1,000	2,586	(1,586)
Dues	5,000	5,000	4,620	380
Grounds	6,000	6,000	6,329	(329)
Supplies	1,100	1,100	0	1,100
Telephone and internet	6,980	6,980	5,408	1,572
Publishing	300	300	117	183
Advertising	200	200	0	200
Miscellaneous	1,500	1,500	166	1,334
	<u>57,705</u>	<u>57,705</u>	<u>70,370</u>	<u>(12,665)</u>
Insurance (Bonds and Liability)	<u>47,000</u>	<u>47,000</u>	<u>32,513</u>	<u>14,487</u>
Total Expenditures	<u>\$1,509,487</u>	<u>\$1,509,487</u>	<u>\$1,628,277</u>	<u>(\$118,790)</u>

VILLAGE OF DUNDEE

*Combining Balance Sheet
Nonmajor Governmental Funds
February 28, 2019*

	Special Revenue Funds			Capital Project Funds		
	Parks and Recreation	Historical Commission	Building Department	Industrial Park/ Equipment Purchase Fund	Economic Development	Sewer Separation and Street Rehabilitation
Assets						
Cash and cash equivalents	\$9,945	\$7,546	\$267,077	\$542,460	\$321,542	\$0
Receivables:						
Accounts	0	0	1,886	0	0	0
Special assessments	0	0	0	0	0	0
Prepaid insurance	0	18	45	0	0	0
Total Assets	<u>\$9,945</u>	<u>\$7,564</u>	<u>\$269,008</u>	<u>\$542,460</u>	<u>\$321,542</u>	<u>\$0</u>
Liabilities						
Accounts payable/retainage	\$60	\$42	\$585	\$0	\$0	\$0
Accrued wages	0	0	2,424	0	0	0
Due to other funds	0	0	10,000	0	0	0
Customer deposits	0	0	2,100	0	0	0
Total Liabilities	60	42	15,109	0	0	0
Deferred Inflows of Resources						
Special assessments	0	0	0	0	0	0
Fund Balance						
Nonspendable:						
Prepaid items	0	18	45	0	0	0
Restricted for:						
Building code enforcement	0	0	253,854	0	0	0
Assigned to:						
Culture and recreation	9,885	7,504	0	0	0	0
Special projects	0	0	0	542,460	0	0
Community and economic development	0	0	0	0	321,542	0
Debt service	0	0	0	0	0	0
Total Fund Balances	<u>9,885</u>	<u>7,522</u>	<u>253,899</u>	<u>542,460</u>	<u>321,542</u>	<u>0</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$9,945</u>	<u>\$7,564</u>	<u>\$269,008</u>	<u>\$542,460</u>	<u>\$321,542</u>	<u>\$0</u>

Debt Service Funds

1998 G.O. Bonds	2001 Special Assessment Bonds	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	2015 Vactor Installment Loan	2016 Polaris Installment Loan	Total Nonmajor Governmental Funds
\$0	\$0	\$2,448	\$4,034	\$90,319	\$27,372	\$8,147	\$0	\$0	\$1,280,890
0	0	0	0	0	0	0	0	0	1,886
0	0	0	0	92,165	0	0	0	0	92,165
0	0	0	0	0	0	0	0	0	63
<u>\$0</u>	<u>\$0</u>	<u>\$2,448</u>	<u>\$4,034</u>	<u>\$182,484</u>	<u>\$27,372</u>	<u>\$8,147</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,375,004</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$687
0	0	0	0	0	0	0	0	0	2,424
0	0	0	0	0	0	0	0	0	10,000
0	0	0	0	0	0	0	0	0	2,100
0	0	0	0	0	0	0	0	0	15,211
0	0	0	0	70,313	0	0	0	0	70,313
0	0	0	0	0	0	0	0	0	63
0	0	0	0	0	0	0	0	0	253,854
0	0	0	0	0	0	0	0	0	17,389
0	0	0	0	0	0	0	0	0	542,460
0	0	0	0	0	0	0	0	0	321,542
0	0	2,448	4,034	112,171	27,372	8,147	0	0	154,172
0	0	2,448	4,034	112,171	27,372	8,147	0	0	1,289,480
<u>\$0</u>	<u>\$0</u>	<u>\$2,448</u>	<u>\$4,034</u>	<u>\$182,484</u>	<u>\$27,372</u>	<u>\$8,147</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,375,004</u>

VILLAGE OF DUNDEE

*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended February 28, 2019*

	Special Revenue Funds			Capital Project Funds		
	Parks and Recreation	Historical Commission	Building Department	Industrial Park/ Equipment Purchase Fund	Economic Development	Sewer Separation and Street Rehabilitation
Revenues						
Special assessments	\$0	\$0	\$0	\$0	\$0	\$0
Interest and rentals	13	8,193	529	1,256	707	208
Licenses and permits	0	0	212,656	0	0	0
Other revenues	18,320	25,695	0	0	0	0
Total Revenues	18,333	33,888	213,185	1,256	707	208
Expenditures						
Public safety	0	0	138,754	0	0	0
Public works	0	0	0	0	19,507	0
Culture and recreation	25,489	77,924	0	0	0	0
Capital outlay	0	0	0	0	0	1,297
Debt service	0	0	0	0	0	0
Total Expenditures	25,489	77,924	138,754	0	19,507	1,297
Excess (Deficiency) of Revenues over Expenditures	(7,156)	(44,036)	74,431	1,256	(18,800)	(1,089)
Other Financing Sources (Uses)						
Proceeds from the sale of capital asset	0	0	0	7,400	0	0
Operating transfers in	10,000	38,000	0	7,985	0	0
Operating transfers (out)	0	0	(10,000)	0	0	(1,916)
Total Other Financing Sources (Uses)	10,000	38,000	(10,000)	15,385	0	(1,916)
Net Change in Fund Balances	2,844	(6,036)	64,431	16,641	(18,800)	(3,005)
Fund Balances - Beginning of Year	7,041	13,558	189,468	525,819	340,342	3,005
Fund Balances - End of Year	<u>\$9,885</u>	<u>\$7,522</u>	<u>\$253,899</u>	<u>\$542,460</u>	<u>\$321,542</u>	<u>\$0</u>

Debt Service Funds

1998 G.O. Bonds	2001 Special Assessment Bonds	2006 Capital Improvement G.O. Bond	Pearl St Assessment Bonds	2008 S.A./LTGC Oak/Plank Bonds	2013 Refunding G.O. Bond	2014 Honeywell Installment	2015 Vactor Installment Loan	2016 Polaris Installment Loan	Total Nonmajor Governmental Funds
\$0	\$0	\$0	\$0	\$24,380	\$0	\$0	\$0	\$0	\$24,380
0	5	27	5	6,764	69	18	0	0	17,794
0	0	0	0	0	0	0	0	0	212,656
0	0	0	0	0	0	0	0	0	44,015
0	5	27	5	31,144	69	18	0	0	298,845
0	0	0	0	0	0	0	0	0	138,754
0	0	0	0	0	0	0	0	0	19,507
0	0	0	0	0	0	0	0	0	103,413
0	0	0	0	0	0	0	0	0	1,297
0	0	98,290	37,922	40,627	219,718	60,003	34,290	9,384	500,234
0	0	98,290	37,922	40,627	219,718	60,003	34,290	9,384	742,401
0	5	(98,263)	(37,917)	(9,483)	(219,649)	(59,985)	(34,290)	(9,384)	(443,556)
0	0	0	0	0	0	0	0	0	7,400
0	0	99,000	15,000	8,063	243,891	60,004	34,290	9,384	525,617
(7,985)	(22,891)	0	0	0	0	0	0	0	(42,792)
(7,985)	(22,891)	99,000	15,000	8,063	243,891	60,004	34,290	9,384	490,225
(7,985)	(22,886)	737	(22,917)	(1,420)	24,242	19	0	0	25,865
7,985	22,886	1,711	26,951	113,591	3,130	8,128	0	0	1,263,615
\$0	\$0	\$2,448	\$4,034	\$112,171	\$27,372	\$8,147	\$0	\$0	\$1,289,480

SPECIAL REVENUE FUNDS

1. Parks and Recreation Fund
2. Historical Commission
3. Building Department Fund

VILLAGE OF DUNDEE

*Parks and Recreation Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$2	\$2	\$13	\$11
Other revenue	17,550	17,550	18,320	770
Total Revenues	17,552	17,552	18,333	781
Expenditures				
Culture and recreation:				
Audit fees	500	500	500	0
Building maintenance	500	500	655	(155)
Programs	17,500	17,500	13,626	3,874
Park maintenance	3,000	3,000	3,543	(543)
Contractual	30,000	30,000	2,900	27,100
Utilities	1,900	1,900	2,259	(359)
Miscellaneous	2,100	2,100	2,006	94
Total Expenditures	55,500	55,500	25,489	30,011
Excess (Deficiency) of Revenues over Expenditures	(37,948)	(37,948)	(7,156)	30,792
Other Financing Sources (Uses)				
Operating transfers in	37,948	37,948	10,000	(27,948)
Net Change in Fund Balance	0	0	2,844	2,844
Fund Balance - Beginning of Year	7,041	7,041	7,041	0
Fund Balance - End of Year	\$7,041	\$7,041	\$9,885	\$2,844

VILLAGE OF DUNDEE

*Historical Commission Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest and rentals:				
Interest	\$5	\$5	\$13	\$8
Rentals	9,000	9,000	8,180	(820)
Other revenue	<u>14,000</u>	<u>25,000</u>	<u>25,695</u>	<u>695</u>
 Total Revenues	 23,005	 34,005	 33,888	 (117)
Expenditures				
Culture and recreation:				
Wages	18,000	18,000	16,046	1,954
FICA expense	1,378	1,378	1,228	150
Professional services	700	700	500	200
Bonds and insurance	350	350	244	106
Telephone & utilities	17,857	17,587	20,707	(3,120)
Building maintenance	15,000	36,500	37,961	(1,461)
Sanitation	1,500	1,500	1,075	425
Miscellaneous	<u>5,500</u>	<u>3,000</u>	<u>163</u>	<u>2,837</u>
 Total Expenditures	 <u>60,285</u>	 <u>79,015</u>	 <u>77,924</u>	 <u>1,091</u>
 Excess (Deficiency) of Revenues over Expenditures	 (37,280)	 (45,010)	 (44,036)	 974
 Other Financing Sources (Uses)				
Operating transfers in	<u>30,000</u>	<u>38,000</u>	<u>38,000</u>	<u>0</u>
 Net Change in Fund Balance	 (7,280)	 (7,010)	 (6,036)	 974
 Fund Balance - Beginning of Year	 <u>13,558</u>	 <u>13,558</u>	 <u>13,558</u>	 <u>0</u>
 Fund Balance - End of Year	 <u><u>\$6,278</u></u>	 <u><u>\$6,548</u></u>	 <u><u>\$7,522</u></u>	 <u><u>\$974</u></u>

VILLAGE OF DUNDEE

*Building Department Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Building fees	\$130,000	\$130,000	\$106,574	(\$23,426)
Electrical fees	30,000	30,000	33,313	3,313
Plumbing fees	15,000	15,000	23,094	8,094
Mechanical fees	20,000	20,000	34,617	14,617
Registration fees	2,000	2,000	3,225	1,225
Rental ordinance fee	150	150	0	(150)
Planning review fees	700	700	2,925	2,225
Zoning board authority fees	700	700	775	75
Interest	50	50	529	479
Other income	500	500	8,133	7,633
Total Revenues	<u>199,100</u>	<u>199,100</u>	<u>213,185</u>	<u>14,085</u>
Expenditures				
Public safety:				
Building department expenses	5,900	5,900	1,468	4,432
Legal advisor	2,500	2,500	2,603	(103)
Building inspector	101,828	101,828	77,385	24,443
Electrical inspector	27,063	27,063	22,419	4,644
Mechanical inspector	19,478	19,478	16,148	3,330
Plumbing inspector	14,633	14,633	11,524	3,109
Zoning board of appeals	1,389	1,389	626	763
Planning commission	16,309	16,309	6,581	9,728
Total Expenditures	<u>189,100</u>	<u>189,100</u>	<u>138,754</u>	<u>50,346</u>
Excess (Deficiency) of Revenues over Expenditures	10,000	10,000	74,431	64,431
Other Financing Sources (Uses)				
Operating transfer (out)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>
Net Change in Fund Balance	0	0	64,431	64,431
Fund Balance - Beginning of Year	<u>0</u>	<u>0</u>	<u>189,468</u>	<u>189,468</u>
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$253,899</u>	<u>\$253,899</u>

CAPITAL IMPROVEMENT FUNDS

1. Industrial Park/Equipment Purchase Fund
2. Economic Development Corporation - Construction Fund
3. Sewer Separation and Street Rehabilitation Fund

VILLAGE OF DUNDEE

*Industrial Park/Equipment Purchase Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest	\$300	\$300	\$1,256	\$956
Expenditures				
Capital outlay:				
Water, sewer, and road system expansion	80,000	80,000	0	80,000
Total Expenditures	80,000	80,000	0	80,000
Excess (Deficiency) of Revenues over Expenditures	(79,700)	(79,700)	1,256	80,956
Other Financing Sources (Uses)				
Proceeds from the sale of capital asset	0	0	7,400	7,400
Transfers in	0	0	7,985	7,985
Bond proceeds	80,000	80,000	0	(80,000)
Total Other Financing Sources (Uses)	80,000	80,000	15,385	(64,615)
Net Change in Fund Balance	300	300	16,641	16,341
Fund Balance - Beginning of Year	525,819	525,819	525,819	0
Fund Balance - End of Year	\$526,119	\$526,119	\$542,460	\$16,341

VILLAGE OF DUNDEE

*Economic Development Corporation - Construction Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$200	\$200	\$707	\$507
Expenditures				
Capital outlay	4,000	20,000	19,507	493
Net Change in Fund Balance	(3,800)	(19,800)	(18,800)	1,000
Fund Balance - Beginning of Year	340,342	340,342	340,342	0
Fund Balance - End of Year	<u>\$336,542</u>	<u>\$320,542</u>	<u>\$321,542</u>	<u>\$1,000</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, 2019*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$20	\$20	\$208	\$188
Expenditures				
Capital Outlay	1,297	1,297	1,297	0
Excess (Deficiency) of Revenues over Expenditures	(1,277)	(1,277)	(1,089)	188
Other Financing Sources (Uses)				
Operating transfers (out)	(1,728)	(1,728)	(1,916)	(188)
Total Other Financing Sources (Uses)	(1,728)	(1,728)	(1,916)	(188)
Net Change in Fund Balance	(3,005)	(3,005)	(3,005)	0
Fund Balance - Beginning of Year	3,005	3,005	3,005	0
Fund Balance - End of Year	\$0	\$0	\$0	\$0

GENERAL DEBT SERVICE FUNDS

General Debt Service Funds

To account for payments of interest and principal on long-term general obligation debt other than that payable by an enterprise fund. There are eight (9) debt service funds to account for:

1. 1998 General Obligation
2. 2001 Special Assessment Bonds (Rawson Street)
3. 2006 Capital Improvement General Obligation
4. 2008 Special Assessment Bonds (Pearl Street)
5. 2008 Special Assessment Bonds (Oak/Plank)
6. 2013 Refunding General Obligation
7. 2014 Honeywell Installment Loan
8. 2015 Vactor Installment Loan
9. 2016 Polaris Lease Purchase

VILLAGE OF DUNDEE

*1998 General Obligation
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$1	\$1	\$0	(\$1)
Expenditures				
Debt service	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	1	1	0	(1)
Other Financing Sources (Uses)				
Operating transfers (out)	0	0	(7,985)	(7,985)
Net Change in Fund Balance	1	1	(7,985)	(7,986)
Fund Balance - Beginning of Year	7,985	7,985	7,985	0
Fund Balance - End of Year	<u>\$7,986</u>	<u>\$7,986</u>	<u>\$0</u>	<u>(\$7,986)</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$5	\$5	\$5	\$0
Expenditures				
Debt service	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	5	5	5	0
Other Financing Sources (Uses):				
Operating transfers (out)	0	0	(22,891)	(22,891)
Net Change in Fund Balance	5	5	(22,886)	(22,891)
Fund Balance - Beginning of Year	22,886	22,886	22,886	0
Fund Balance - End of Year	<u>\$22,891</u>	<u>\$22,891</u>	<u>\$0</u>	<u>(\$22,891)</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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$0	\$0	\$27	\$27
Expenditures				
Debt service:				
Principal	65,000	65,000	65,000	0
Interest	33,352	33,352	33,290	62
Total Expenditures	<u>98,352</u>	<u>98,352</u>	<u>98,290</u>	<u>62</u>
Excess (Deficiency) of Revenues over Expenditures	(98,352)	(98,352)	(98,263)	89
Other Financing Sources (Uses)				
Operating transfers in	<u>98,352</u>	<u>98,352</u>	<u>99,000</u>	<u>648</u>
Net Change in Fund Balance	0	0	737	737
Fund Balance - Beginning of Year	<u>1,711</u>	<u>1,711</u>	<u>1,711</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$1,711</u></u>	<u><u>\$1,711</u></u>	<u><u>\$2,448</u></u>	<u><u>\$737</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, 2019*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special assessment	\$0	\$0	\$0	\$0
Interest	10	10	5	(5)
Total Revenues	10	10	5	(5)
Expenditures				
Debt service:				
Principal	33,310	33,310	33,310	0
Interest	4,684	4,684	4,612	72
Total Expenditures	37,994	37,994	37,922	72
Excess (Deficiency) of Revenues over Expenditures	(37,984)	(37,984)	(37,917)	67
Other Financing Sources (Uses):				
Operating transfer in	15,000	15,000	15,000	0
Net Change in Fund Balance	(22,984)	(22,984)	(22,917)	67
Fund Balance - Beginning of Year	26,951	26,951	26,951	0
Fund Balance - End of Year	\$3,967	\$3,967	\$4,034	\$67

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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Special assessment	\$19,423	\$19,423	\$24,380	\$4,957
Interest	<u>6,700</u>	<u>6,700</u>	<u>6,764</u>	<u>64</u>
Total Revenues	26,123	26,123	31,144	5,021
Expenditures				
Debt service:				
Principal	30,000	30,000	30,000	0
Interest	10,126	10,126	10,125	1
Agent fees	500	500	500	0
Misc expense	<u>50</u>	<u>50</u>	<u>2</u>	<u>48</u>
Total Expenditures	<u>40,676</u>	<u>40,676</u>	<u>40,627</u>	<u>49</u>
Excess (Deficiency) of				
Revenues over Expenditures	(14,553)	(14,553)	(9,483)	5,070
Other Financing Sources (Uses):				
Operating transfer in	<u>8,063</u>	<u>8,063</u>	<u>8,063</u>	<u>0</u>
Net Change in Fund Balance	(6,490)	(6,490)	(1,420)	5,070
Fund Balance - Beginning of Year	<u>113,591</u>	<u>113,591</u>	<u>113,591</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$107,101</u></u>	<u><u>\$107,101</u></u>	<u><u>\$112,171</u></u>	<u><u>\$5,070</u></u>

VILLAGE OF DUNDEE

2013 Refunding General Obligation
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 Year Ended February 28, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$10	\$10	\$69	\$59
Expenditures				
Debt service:				
Principal	200,000	200,000	200,000	0
Interest	19,718	19,718	19,718	0
Total Expenditures	219,718	219,718	219,718	0
Excess (Deficiency) of Revenues over Expenditures	(219,708)	(219,708)	(219,649)	59
Other Financing Sources (Uses):				
Operating transfer in	219,743	219,743	243,891	24,148
Net Change in Fund Balance	35	35	24,242	24,207
Fund Balance - Beginning of Year	3,130	3,130	3,130	0
Fund Balance - End of Year	\$3,165	\$3,165	\$27,372	\$24,207

VILLAGE OF DUNDEE

*2014 Honeywell Installment Loan
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$5	\$5	\$18	\$13
Expenditures				
Debt service:				
Principal	42,888	42,888	42,887	1
Interest	17,116	17,116	17,116	0
Total Expenditures	<u>60,004</u>	<u>60,004</u>	<u>60,003</u>	<u>1</u>
Excess (Deficiency) of Revenues over Expenditures	(59,999)	(59,999)	(59,985)	14
Other Financing Sources (Uses):				
Operating transfer in	<u>60,004</u>	<u>60,004</u>	<u>60,004</u>	<u>0</u>
Net Change in Fund Balance	5	5	19	14
Fund Balance - Beginning of Year	<u>8,128</u>	<u>8,128</u>	<u>8,128</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$8,133</u></u>	<u><u>\$8,133</u></u>	<u><u>\$8,147</u></u>	<u><u>\$14</u></u>

VILLAGE OF DUNDEE

*2015 Vactor Installment Loan
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt service:				
Principal	9,065	29,877	29,877	0
Interest	<u>5,225</u>	<u>4,413</u>	<u>4,413</u>	<u>0</u>
Total Expenditures	14,290	34,290	34,290	0
Excess (Deficiency) of Revenues over Expenditures	(14,290)	(34,290)	(34,290)	0
Other Financing Sources (Uses)				
Operating transfers in	<u>14,290</u>	<u>34,290</u>	<u>34,290</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

*2016 Polaris Lease Purchase
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended February 28, 2019*

	<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	0	8,168	8,168	0
Interest	0	1,216	1,216	0
Total Expenditures	0	9,384	9,384	0
Excess (Deficiency) of Revenues over Expenditures	0	(9,384)	(9,384)	0
Other Financing Sources (Uses)				
Operating transfers in	0	9,384	9,384	0
Net Change in Fund Balance	0	0	0	0
Fund Balance - Beginning of Year	0	0	0	0
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

INTERNAL SERVICE FUNDS

1. Unemployment Compensation - General Fund
2. Unemployment Compensation - Water and Sewer Fund

VILLAGE OF DUNDEE

*Internal Service Funds Unemployment Compensation
Combining Statement of Net Position
February 28, 2019*

	<u>General</u>	<u>Water and Sewer</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	<u>\$19,115</u>	<u>\$26,326</u>	<u>\$45,441</u>
Fund Equity			
Net Assets - unrestricted	<u>\$19,115</u>	<u>\$26,326</u>	<u>\$45,441</u>

*Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Year Ended February 28, 2019*

Operating Revenues			
Operating income	\$0	\$0	\$0
Operating Expenses			
Operating expenses	<u>0</u>	<u>0</u>	<u>0</u>
Operating Income	0	0	0
Non-Operating Revenues (Expenses)			
Interest income	<u>42</u>	<u>57</u>	<u>99</u>
Total Non-operating Revenues (Expenses)	<u>42</u>	<u>57</u>	<u>99</u>
Net Income (Loss)	42	57	99
Net Assets - Beginning of Year	<u>19,073</u>	<u>26,269</u>	<u>45,342</u>
Net Assets - End of Year	<u>\$19,115</u>	<u>\$26,326</u>	<u>\$45,441</u>

VILLAGE OF DUNDEE

*Internal Service Funds Unemployment Compensation
Combining Statement of Cash Flows
Year Ended February 28, 2019*

	<u>General</u>	<u>Water and Sewer</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>42</u>	<u>57</u>	<u>99</u>
Net Increase in Cash and Cash Equivalents	42	57	99
Cash and Cash Equivalents - Beginning of Year	<u>19,073</u>	<u>26,269</u>	<u>45,342</u>
Cash and Cash Equivalents - End of Year	<u><u>\$19,115</u></u>	<u><u>\$26,326</u></u>	<u><u>\$45,441</u></u>

AGENCY FUNDS

1. Accounts Payable Fund
2. Payroll Fund
3. Tax Collection Fund
4. Water and Sewer Agency Fund

VILLAGE OF DUNDEE

Fiduciary Funds
Combining Statement of Assets and Liabilities
February 28, 2019

	Agency Funds				Totals
	Accounts Payable	Payroll	Tax Collection	Water and Sewer	
Assets					
Cash and cash equivalents	\$11,127	\$10,641	\$4,397	\$5,801	\$31,966
Due from other funds	0	1,574	0	0	1,574
Total Assets	\$11,127	\$12,215	\$4,397	\$5,801	\$33,540
Liabilities					
Due to other funds	\$123	\$238	\$741	\$5,801	\$6,903
Other liabilities	11,004	11,977	3,656	0	26,637
Total Liabilities	\$11,127	\$12,215	\$4,397	\$5,801	\$33,540

VILLAGE OF DUNDEE

Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
February 28, 2019

ACCOUNTS PAYABLE FUND

	<u>Balance</u> <u>February 28, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>February 28, 2019</u>
Assets				
Cash and cash equivalents	\$19,925	\$4,892,335	\$4,901,133	\$11,127
Total Assets	<u>\$19,925</u>	<u>\$4,892,335</u>	<u>\$4,901,133</u>	<u>\$11,127</u>
Liabilities				
Due to other funds	\$9,698	\$123	\$9,698	\$123
Other liabilities	10,227	4,892,140	4,891,363	11,004
Total Liabilities	<u>\$19,925</u>	<u>\$4,892,263</u>	<u>\$4,901,061</u>	<u>\$11,127</u>

PAYROLL FUND

Assets				
Cash and cash equivalents	\$6,687	\$3,286,725	\$3,282,771	\$10,641
Due from other funds	0	2,511,295	2,509,721	1,574
Total Assets	<u>\$6,687</u>	<u>\$5,798,020</u>	<u>\$5,792,492</u>	<u>\$12,215</u>
Liabilities				
Due to other funds	\$27	\$3,800	\$3,589	\$238
Other liabilities	6,660	810,841	805,524	11,977
Total Liabilities	<u>\$6,687</u>	<u>\$814,641</u>	<u>\$809,113</u>	<u>\$12,215</u>

TAX COLLECTION FUND

Assets				
Cash and cash equivalents	\$8,393	\$2,282,911	\$2,286,907	\$4,397
Total Assets	<u>\$8,393</u>	<u>\$2,282,911</u>	<u>\$2,286,907</u>	<u>\$4,397</u>
Liabilities				
Due to other funds	\$2,582	\$1,984,472	\$1,986,313	\$741
Other liabilities	5,811	290,542	292,697	3,656
Total Liabilities	<u>\$8,393</u>	<u>\$2,275,014</u>	<u>\$2,279,010</u>	<u>\$4,397</u>

VILLAGE OF DUNDEE

Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Concluded)
February 28, 2019

WATER AND SEWER AGENCY

	Balance February 28, 2018	Additions	Deductions	Balance February 28, 2019
Assets				
Cash and cash equivalents	\$10,526	\$346,796	\$351,521	\$5,801
Total Assets	\$10,526	\$346,796	\$351,521	\$5,801
 Liabilities				
Due to other funds	\$10,526	\$346,796	\$351,521	\$5,801
Total Liabilities	\$10,526	\$346,796	\$351,521	\$5,801

TOTALS - ALL AGENCY FUNDS

	Balance February 28, 2018	Additions	Deductions	Balance February 28, 2019
Assets				
Cash and cash equivalents	\$45,531	\$10,808,767	\$10,822,332	\$31,966
Due from other funds	0	2,511,295	2,509,721	1,574
Total Assets	\$45,531	\$13,320,062	\$13,332,053	\$33,540
 Liabilities				
Due to other funds	\$22,833	\$2,335,191	\$2,351,121	\$6,903
Other liabilities	22,698	5,993,523	5,989,584	26,637
Total Liabilities	\$45,531	\$8,328,714	\$8,340,705	\$33,540

DISCRETELY PRESENTED COMPONENT UNITS

1. Downtown Development Authority
2. Local Development Finance Authority - Water Plant
3. Local Development Finance Authority - Global Engine Alliance
4. Economic Development Corporation
5. Brownfield Redevelopment Authority

VILLAGE OF DUNDEE

*Downtown Development Authority - Component Unit
Combining Balance Sheet/Statement of Net Position
February 28, 2019*

	Total Modified Accrual Basis	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$132,102	\$0	\$132,102
Due from other governments	126,750	0	126,750
Prepaid insurance	664		664
Total Assets	\$259,516	0	259,516
Liabilities			
Due to other funds	\$761	0	761
Accounts payable	6,312	0	6,312
Total Liabilities	7,073	0	7,073
Fund Balance			
Assigned	252,443	(252,443)	0
Total Fund Balance	252,443	(252,443)	0
Total Liabilities and Fund Balance	\$259,516		
Net Position			
Unrestricted		252,443	252,443
Total Net Position		\$252,443	\$252,443

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, 2019*

	Total Modified Accrual Basis	Adjustments	Statement of Activities
Revenues			
Taxes	\$160,106	\$0	\$160,106
Local community stabilization share	5,325	0	5,325
Interest	331	0	331
Other	42,880	0	42,880
 Total Revenues	 208,642	 0	 208,642
Expenditures			
Public works	208,974	0	208,974
 Total Expenditures	 208,974	 0	 208,974
 Change in Fund Balance/Net Position	 (332)	 0	 (332)
 Fund Balance/Net Position - Beginning of Year	 252,775	 0	 252,775
 Fund Balance/Net Position - End of Year	 \$252,443	 \$0	 \$252,443

VILLAGE OF DUNDEE

*Local Development Finance Authority Water Plant - Component Unit
Balance Sheet/Statement of Net Position
February 28, 2019*

	Modified Accrual Basis	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$190,670	\$0	\$190,670
Due from other governments	8,386	0	8,386
Total Assets	<u>\$199,056</u>	<u>0</u>	<u>199,056</u>
Liabilities			
Due to other funds	\$0	0	0
Total Liabilities	0	0	0
Fund Balance			
Assigned	199,056	(199,056)	0
Total Fund Balance	<u>199,056</u>	<u>(199,056)</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$199,056</u>		
Net Position			
Unrestricted		199,056	199,056
Total Net Position		<u>\$199,056</u>	<u>\$199,056</u>

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, 2019*

	Modified Accrual Basis	Adjustments	Statement of Activities
Revenues			
Interest	\$454	\$0	\$454
Expenditures			
Public works	200	0	200
Total Expenditures	200	0	200
Excess (Deficiency) of Revenues over Expenditures	254	0	254
Other Financing Sources (Uses)			
Operating transfers out	(23,600)	0	(23,600)
Total Other Financing Sources (Uses)	(23,600)	0	(23,600)
Change in Fund Balance/Net Position	(23,346)	0	(23,346)
Fund Balance/ Net Position - Beginning of Year	222,402	0	222,402
Fund Balance/ Net Position - End of Year	<u>\$199,056</u>	<u>\$0</u>	<u>\$199,056</u>

VILLAGE OF DUNDEE

*Local Development Finance Authority Global Engine Alliance - Component Unit
Combining Balance Sheet/Statement of Net Position
February 28, 2019*

	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	\$2,610,157	\$101,553	\$0	\$2,711,710	\$0	\$2,711,710
Due from other governments	326,179	0	0	326,179	0	326,179
Capital assets (net of depreciation)	0	0	0	0	4,358,741	4,358,741
Amount available in Debt Service Fund	0	0	101,553	101,553	(101,553)	0
Amount to be provided for long-term debt	0	0	2,093,447	2,093,447	(2,093,447)	0
Total Assets	\$2,936,336	\$101,553	\$2,195,000	\$5,232,889	2,163,741	7,396,630
Liabilities						
Accrued interest	\$0	\$0	\$0	\$0	\$27,821	\$27,821
Debt with government commitment net of bond discount	0	0	2,195,000	2,195,000	(8,000)	2,187,000
Total Liabilities	0	0	2,195,000	2,195,000	19,821	2,214,821
Fund Balance						
Restricted for debt service	0	101,553	0	101,553	(101,553)	0
Assigned	2,936,336	0	0	2,936,336	(2,936,336)	0
Total Fund Balances	2,936,336	101,553	0	3,037,889	(3,037,889)	0
Total Liabilities and Fund Balances	\$2,936,336	\$101,553	\$2,195,000	\$5,232,889		
Net Position						
Net investment in capital assets					2,163,741	2,163,741
Restricted for debt service					101,553	101,553
Unrestricted					2,916,515	2,916,515
Total Net Position					\$5,181,809	\$5,181,809

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, 2019*

	Global Engine Alliance	LDFA #3 Debt	Total Modified Accrual Basis	Adjustments	Statement of Activities
Revenues					
Taxes	\$659,924	\$0	\$659,924	\$0	\$659,924
Local community stabilization share	552,136	0	552,136	0	552,136
Interest	4,486	408	4,894	0	4,894
Total Revenues	1,216,546	408	1,216,954	0	1,216,954
Expenditures					
Public works	500	0	500	157,158	157,658
Debt service	0	491,352	491,352	(402,529)	88,823
Total Expenditures	500	491,352	491,852	(245,371)	246,481
Excess (Deficiency) of Revenues over Expenditures	1,216,046	(490,944)	725,102	245,371	970,473
Other Financing Sources (Uses)					
Operating transfers in	0	491,269	491,269	(491,269)	0
Operating transfers out	(895,972)	0	(895,972)	491,269	(404,703)
Total Other Financing Sources (Uses)	(895,972)	491,269	(404,703)	0	(404,703)
Change in Fund Balance/Net Position	320,074	325	320,399	245,371	565,770
Fund Balances/ Net Position - Beginning of Year	2,616,262	101,228	2,717,490	1,898,549	4,616,039
Fund Balances/ Net Position - End of Year	\$2,936,336	\$101,553	\$3,037,889	\$2,143,920	\$5,181,809

VILLAGE OF DUNDEE

*Economic Development Corporation - Component Unit
Combining Balance Sheet/Statement of Net Position
February 28, 2019*

	Economic Development Corporation	EDC Debt Fund	Total Modified Accrual Basis	Adjustments	Statement of Net Position
Assets					
Cash and cash equivalents	\$59,212	\$22,128	\$81,340	\$0	\$81,340
Capital assets (net of depreciation)	0	0	0	7,639,711	7,639,711
Total Assets	<u>\$59,212</u>	<u>\$22,128</u>	<u>\$81,340</u>	<u>7,639,711</u>	<u>7,721,051</u>
Liabilities					
Total Liabilities	\$0	\$0	\$0	\$0	\$0
Fund Balance					
Assigned	59,212	22,128	81,340	(81,340)	0
Total Fund Balances	59,212	22,128	81,340	(81,340)	0
Total Liabilities and Fund Balances	<u>\$59,212</u>	<u>\$22,128</u>	<u>\$81,340</u>		
Net Position					
Net investment in capital assets				7,639,711	7,639,711
Unrestricted				81,340	81,340
Total Net Position				<u>\$7,721,051</u>	<u>\$7,721,051</u>

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, 2019*

	Economic Development Corporation	EDC Debt Fund	Total Modified Accrual Basis	Adjustments	Statement of Activities
Revenues					
Interest and rentals	\$129	\$49	\$178	\$0	\$178
Expenditures					
Public works	0	700	700	277,653	278,353
Debt service	0	0	0	0	0
Total Expenditures	0	700	700	277,653	278,353
Change in Fund Balance/Net Position	129	(651)	(522)	(277,653)	(278,175)
Fund Balances/Net Position - Beginning of Year	59,083	22,779	81,862	7,917,364	7,999,226
Fund Balances/Net Position - End of Year	\$59,212	\$22,128	\$81,340	\$7,639,711	\$7,721,051

VILLAGE OF DUNDEE

*Brownfield Redevelopment Authority - Component Unit
Balance Sheet/Statement of Net Position
February 28, 2019*

	Modified Accrual Basis	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$894,051	\$0	\$894,051
Due from other governments	14,329	0	14,329
Total Assets	<u>\$908,380</u>	<u>0</u>	<u>908,380</u>
Liabilities			
Due to other funds / internal balances	\$0	0	0
Total Liabilities	0	0	0
Fund Balance			
Restricted for debt service	908,380	(908,380)	0
Total Fund Balance	<u>908,380</u>	<u>(908,380)</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$908,380</u>		
Net Position			
Restricted for debt service		908,380	908,380
Total Net Position		<u>\$908,380</u>	<u>\$908,380</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, 2019*

	Modified Accrual Basis	Adjustments	Statement of Activities
Revenues			
Taxes	\$17,180	\$0	\$17,180
Local community stabilization share	753	0	753
Interest and rentals	1,929	0	1,929
Total Revenues	19,862	0	19,862
Expenditures			
Public works	18,533	0	18,533
Change in Fund Balance/Net Position	1,329	0	1,329
Fund Balance/Net Position - Beginning of Year	907,051	0	907,051
Fund Balance/Net Position - End of Year	<u>\$908,380</u>	<u>\$0</u>	<u>\$908,380</u>

FEDERAL AWARDS

VILLAGE OF DUNDEE

*Schedule of Expenditures of Federal Awards
Year Ended February 28, 2019*

Federal Grantor Program Title	Grant Number	Federal CFDA Number	Approved Grant Award Amount
<u>Environmental Protection Agency</u>			
Capitalization Grants for Clean Water State Revolving Funds	5648 01	66.458	<u>\$2,967,712</u>

<u>Accrued (Deferred) Revenue March 1, 2018</u>	<u>Prior Year Expenditures (Memo Only)</u>	<u>Current Year Expenditures</u>	<u>Current Year Receipts (Cash Basis)</u>	<u>Accrued (Deferred) Revenue February 28, 2019</u>	<u>Current Year Cash Transferred to Subrecipient</u>
<u>\$0</u>	<u>\$544,436</u>	<u>\$2,423,276</u>	<u>\$2,423,276</u>	<u>\$0</u>	<u>\$0</u>

VILLAGE OF DUNDEE

*Notes to the Schedule of Expenditures of Federal Awards
Year Ended February 28, 2019*

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal loan activity of the Village of Dundee under programs of the federal government for the year ended February 28, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Village of Dundee, it is not intended to and does not present the financial position, changes in net position, or cash flows of Village of Dundee.
2. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as a reimbursement.
3. The Village was approved by the Environmental Protection Agency to receive a federal loan totaling \$2,967,712 to undertake a project of improvements to the waste water treatment plant and sewer system. The amount listed for the loan includes the proceeds used during the year. The loans are also reported on the Village's Business-type Activities Statement of Net Position. The amount listed for the loan represents amounts expended during the year.

VILLAGE OF DUNDEE

*Schedule of Findings and Questioned Costs
Year Ended February 28, 2019*

SUMMARY OF AUDIT RESULTS:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Village of Dundee were prepared in accordance with GAAP.
2. No significant deficiencies considered material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Village of Dundee, which would be required to be reported in accordance with *Governmental Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies considered to be material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance.
5. The auditor's report on compliance for the Capitalization Grants for Clean Water State Revolving Funds expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for Village of Dundee.
7. The program tested as a major program was the Capitalization Grants for Clean Water State Revolving Funds (CFDA #66.458).
8. Type A programs are programs with \$750,000 or more of federal expenditures. Type B programs are programs with federal expenditures at or below \$750,000.
9. Village of Dundee was determined to not be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT:

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT:

None

COOLEY HEHL SABO & CALKINS

CERTIFIED PUBLIC ACCOUNTANTS

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, 2019, 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, 2019, 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>
General Fund	\$1,990,938	\$2,081,973	\$91,035

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.

Village Council
Village of Dundee

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Due To/Due From Other Funds

Interfund receivable and payable balances as of February 28, 2019 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Major Street Fund	\$9,660	
Local Street Fund	6,902	
Tax	741	
Water Fund	7,773	
Sewer Fund	11,451	
A/P T&A Fund:	123	
Payroll Fund	37	\$18,500
Municipal Street Fund		29,659
Building Fund	10,000	
Downtown Development Authority		10,748
Municipal Street Fund:		
General Fund	29,659	
Downtown Development Authority		4,486
Major Street Fund:		
General Fund		9,660
Local Street Fund:		
General Fund		6,902
Building Fund		
General Fund		10,000
Downtown Development Authority		
General Fund	10,748	
Municipal Street Fund	4,486	
General Fund		741
W/S T & A:		
Sewer Fund		3,189
Water Fund		2,612
Payroll Fund:		
General Fund	18,500	37
Sewer Fund	700	
Water Fund	874	
Water Fund:		
W/S T & A	\$2,612	\$874
Sewer Fund		4,219
General Fund		7,773
A/P T&A Fund:		
General Fund		123
Sewer Fund:		
General Fund		11,451
Payroll Fund		700
Water Fund	4,219	
W/S T & A Fund	3,189	
	<u>\$121,674</u>	<u>\$121,674</u>

Village Council
Village of Dundee

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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, 2019. 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, purchases, 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, 2019, the Village had seventeen bond issues and installment purchase agreements.

Repayment of the Village's outstanding indebtedness which was \$22,995,875 as of February 28, 2019, 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.

Contingent Liability – Federal and State Grants and Loans

During the past several years federal and state grants and loans for various projects have been received that are subject to review by the Michigan Department of Environmental Quality, the Michigan Finance Authority, or other grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of that grant or loan documents. We recommend that you retain all project records, whether in written or computerized form for up to six years. If requested you must provide such records to the grantor agency for inspection.

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 2018-2019 audit report.

Very truly yours,

Cooley Hehl Sabo & Catkins, PLLC

June 24, 2019

COOLEY HEHL SABO & CALKINS

CERTIFIED PUBLIC ACCOUNTANTS

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, 2019, and have issued our report thereon dated June 24, 2019. 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 19, 2019. 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, 2019. All significant transactions have been recognized in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive 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 24, 2019.

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 Sabo & Calkins, PLLC

June 24, 2019