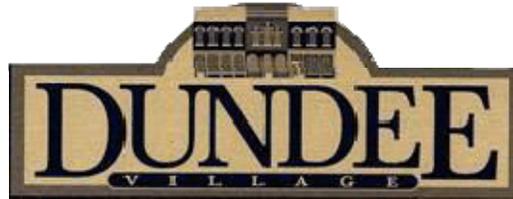


VILLAGE OF
DUNDEE,
MICHIGAN



Year Ended
February 28, 2022

Financial
Statements

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VILLAGE OF DUNDEE, MICHIGAN

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INDEPENDENT AUDITORS' REPORT

September 8, 2022

President and Village Council
Village of Dundee, Michigan

Report on the Audit of the Financial Statements

Opinions

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, Michigan** (the "Village"), as of and for the year ended February 28, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of February 28, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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



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

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2022, on our consideration of the Village'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF DUNDEE, MICHIGAN

Management's Discussion and Analysis

As management of the Village of Dundee, Michigan (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended February 28, 2022.

Financial Highlights

· Total net position	\$ 38,734,024
· Change in total net position	159,990
· Fund balances, governmental funds	6,381,303
· Change in fund balances, governmental funds	293,085
· Unassigned fund balance, general fund	1,606,489
· Change in fund balance, general fund	(270,649)
· Installment debt outstanding	17,033,347
· Change in installment debt	(1,449,325)

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The statement of net position and the statement of activities provide information about the activities of the Village as a whole and present a longer-term view of the Village finances. The longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services. 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 governmental activities of the Village include legislative, general government, public safety, public works, culture and recreation, and interest on long-term debt. The business-type activities of the Village include water and sewer operations.

The government-wide financial statements include not only the Village itself (known as the primary government), but also legally separate entities for which the Village is financially accountable. Financial information for the component units are reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Village's operation in more detail than the government-wide financial statements by providing information about the Village's most significant funds. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

VILLAGE OF DUNDEE, MICHIGAN

Management's Discussion and Analysis

Governmental Funds. Governmental funds are used to account for essentially the same functions reported in the governmental activities in the government-wide financial statements. However, they focus on *near-term inflows and outflows of spendable resources* as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of 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.

The Village maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, municipal street, major streets, and local streets funds, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds. - The Village maintains proprietary funds to account for its sanitary sewer and water distribution operations (Enterprise Funds). 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. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various Village functions. The Village uses an internal service fund to account for its unemployment compensation.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 programs. The fiduciary fund statements provide financial information about activities for which the Village acts solely as a trustee or custodian for the benefit of those outside of the government. The fiduciary fund statements present information on the Village's custodial funds, which account for property taxes collected on behalf of other governmental units.

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 fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to this management's discussion and analysis and the schedules for the pension plan.

VILLAGE OF DUNDEE, MICHIGAN

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$38,734,024 at the close of the most recent fiscal year. The following table shows, in a condensed format, the net position as of the current date and compared to the prior year:

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 8,577,633	\$ 7,492,671	\$ 8,318,811	\$ 8,192,253	\$ 16,896,444	\$ 15,684,924
Capital assets, net	14,338,453	14,951,184	26,520,501	27,740,231	40,858,954	42,691,415
	<u>22,916,086</u>	<u>22,443,855</u>	<u>34,839,312</u>	<u>35,932,484</u>	<u>57,755,398</u>	<u>58,376,339</u>
Deferred outflows of resources	96,120	56,004	74,608	105,152	170,728	161,156
Liabilities						
Long-term debt	2,248,998	2,470,620	14,883,221	16,112,827	17,132,219	18,583,447
Other liabilities	1,057,207	292,959	631,039	953,746	1,688,246	1,246,705
	<u>3,306,205</u>	<u>2,763,579</u>	<u>15,514,260</u>	<u>17,066,573</u>	<u>18,820,465</u>	<u>19,830,152</u>
Deferred inflows of resources	209,232	46,325	162,405	86,984	371,637	133,309
Net position						
Net investment in capital assets	12,163,991	12,555,172	11,661,616	11,653,571	23,825,607	24,208,743
Restricted	6,117,913	5,295,478	283,655	80,486	6,401,568	5,375,964
Unrestricted	1,214,865	1,839,305	7,291,984	7,150,022	8,506,849	8,989,327
Total net position	<u>\$ 19,496,769</u>	<u>\$ 19,689,955</u>	<u>\$ 19,237,255</u>	<u>\$ 18,884,079</u>	<u>\$ 38,734,024</u>	<u>\$ 38,574,034</u>

By far, the largest portion of the Village's net position, \$23,825,607, reflects its investment in capital assets (e.g., land, land improvements, infrastructure, buildings, improvements other than buildings, water and sewer lines, equipment, and vehicles), less any debt used to acquire those assets 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 to repay this debt must be provided from other resources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position, \$6,401,568, represents resources that are subject to external restriction on how they may be used. The remaining net position of \$8,506,849 is unrestricted.

The government's net position increased by \$159,990 during the current fiscal year. This increase was a combination of a decrease of \$193,186 in governmental activities and an increase of \$353,176 in business-type activities.

VILLAGE OF DUNDEE, MICHIGAN

Management's Discussion and Analysis

The following table shows the changes in net position during the current year with a comparison to prior year:

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 756,449	\$ 715,918	\$ 4,288,498	\$ 3,425,664	\$ 5,044,947	\$ 4,141,582
Operating grants and contributions	671,653	711,200	144,501	128,989	816,154	840,189
General revenues:						
Property taxes	1,928,854	1,955,093	-	-	1,928,854	1,955,093
Grants and contributions not restricted to specific programs	941,788	581,277	-	-	941,788	581,277
Other	138,818	130,052	5,634	9,648	144,452	139,700
Total revenues	4,437,562	4,093,540	4,438,633	3,564,301	8,876,195	7,657,841
Expenses						
Legislative	36,088	35,683	-	-	36,088	35,683
General government	1,316,119	1,154,547	-	-	1,316,119	1,154,547
Public safety	1,160,562	1,145,621	-	-	1,160,562	1,145,621
Public works	1,228,444	1,317,511	-	-	1,228,444	1,317,511
Economic development	-	29,594	-	-	-	29,594
Culture and recreation	224,108	115,380	-	-	224,108	115,380
Interest on long-term debt	68,027	90,912	-	-	68,027	90,912
Water	-	-	1,494,841	1,477,970	1,494,841	1,477,970
Sewer	-	-	2,588,016	2,733,023	2,588,016	2,733,023
Total expenses	4,033,348	3,889,248	4,082,857	4,210,993	8,116,205	8,100,241
Change in net position before transfers and special item	404,214	204,292	355,776	(646,692)	759,990	(442,400)
Transfers	2,600	(10,836)	(2,600)	10,836	-	-
Special item	(600,000)	-	-	-	(600,000)	-
Change in net position	(193,186)	193,456	353,176	(635,856)	159,990	(442,400)
Net position, beginning of year	19,689,955	19,496,499	18,884,079	19,519,935	38,574,034	39,016,434
Net position, end of year	\$ 19,496,769	\$ 19,689,955	\$ 19,237,255	\$ 18,884,079	\$ 38,734,024	\$ 38,574,034

Governmental Activities. Governmental activities decreased the Village's net position by \$193,186. This is consistent with the change in fund balance at the fund level under modified accrual accounting. The significant change resulted from the payment to pay off the remaining unfunded pension liability.

Business-type Activities. Business-type activities increased the Village's net position by \$353,176. This is primarily the result of residential and economic growth throughout the Village.

VILLAGE OF DUNDEE, MICHIGAN

Management's Discussion and Analysis

Financial Analysis of the Government's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$6,381,303, an increase of \$293,085 in comparison with the prior year. Approximately 25% of this total amount, \$1,606,489, constitutes unassigned fund balance, which is available for spending at the government's discretion. \$46,872 is considered nonspendable for prepaid items. The remainder of fund balance is restricted to pay for streets \$3,777,763, debt service \$70,091, to accomplish capital projects \$324,878, or restricted for other purposes \$555,210.

General Fund Highlights

The general fund is the chief operating fund of the Village. The fund balance of the Village's general fund decreased by \$270,649 during the current fiscal year. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,606,489, while total fund balance totaled \$1,650,229.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 57% of total general fund expenditures and transfers out, while total fund balance represents 59% of that same amount.

One of the most significant categories of general fund expenditures is public safety, which includes the operations of the police department. Public safety incurred expenditures of \$798,883 in 2022, or 32% of the total general fund expenditures.

General government expenditures totaled \$1,171,730, which include the various administrative departments, insurance, and special projects activities of the general fund. Transfers out for the general fund totaled \$279,001 which was transferred to the special revenue funds and the water and sewer enterprise fund.

General Fund Budgetary Highlights

Over the course of the year, the Village amended the budget to take into account events during the year. The significant changes between the original and final budget primarily related to change in staff requirements specifically consolidation of administrative positions.

Municipal Street Fund Highlights

The municipal street fund is a major fund of the Village. The fund balance of the municipal street fund decreased by \$118,498 during the current fiscal year. Fund balance decreased in the current year as we started to push the funds from municipal highway into the major and local road funds.

VILLAGE OF DUNDEE, MICHIGAN

Management's Discussion and Analysis

Major Streets Fund Highlights

The major streets special revenue fund is a major fund of the Village. The fund balance of the major streets fund increased by \$677,837 during the current fiscal year. Fund balance increased as a result of increases in state funding and special assessments.

Local Streets Fund Highlights

The local streets special revenue fund is a major fund of the Village. The fund balance of the local streets fund decreased by \$60,483 during the current fiscal year. Fund balance decreased as a result of projects to improve the time span of multiple local roads.

Proprietary Funds. The Village's proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail.

Capital Asset and Debt Administration

Capital Assets. The Village's net investment in capital assets for its governmental and business-type activities as of February 28, 2022, amounted to \$40,858,954 (net of accumulated depreciation). The major additions during the year related to the addition of a snow plow, street improvements, and sewer pump replacements. This investment in capital assets includes land, land improvements, infrastructure, buildings, improvements other than buildings, equipment, and vehicles.

Long-term Debt. At the end of the current fiscal year, the Village had total bonded debt outstanding of \$16,233,061, which is backed by the full faith and credit of the government.

	General Obligation Bonds					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 1,615,000	\$ 1,840,000	\$ 14,618,061	\$ 15,829,462	\$ 16,233,061	\$ 17,669,462

The Village's total bonded debt decreased by \$1,436,401 (8%) during the current fiscal year due to regular scheduled principal payments.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the Village's budget for the 2022-23 fiscal year:

- No change to the Village's millages and no significant change to the resulting property tax revenue above inflation.
- Several departments of the general fund, including Village operations, Village Clerk, finance, and others have been consolidated into a larger department called "General Government Operations."
- The Village will continue emerging from the COVID-19 pandemic with revenue sources largely intact and unimpacted, with little effect on operating expenditures.
- Original fiscal year 2021-22 budget for major streets fund included a significant reconstruction project that has since been postponed to fiscal year 2022-23 or beyond.

VILLAGE OF DUNDEE, MICHIGAN

■ Management's Discussion and Analysis

Contacting the Village's Management

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Dundee, 350 W. Monroe, Dundee, Michigan 49228.

BASIC FINANCIAL STATEMENTS

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VILLAGE OF DUNDEE, MICHIGAN

Statement of Net Position

February 28, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 6,296,118	\$ 7,046,585	\$ 13,342,703	\$ 5,428,126
Receivables	1,767,685	857,466	2,625,151	462,356
Other assets	46,872	52,308	99,180	3,380
Capital assets not being depreciated	352,439	131,566	484,005	3,582,394
Capital assets being depreciated, net	13,986,014	26,388,935	40,374,949	7,638,251
Net pension asset	466,958	362,452	829,410	-
Total assets	22,916,086	34,839,312	57,755,398	17,114,507
Deferred outflows of resources				
Deferred pension amounts	96,120	74,608	170,728	-
Liabilities				
Accounts payable and accrued liabilities	443,786	364,279	808,065	13,747
Other liabilities	600,000	-	600,000	-
Unearned revenue	13,421	266,760	280,181	-
Long-term debt:				
Due within one year	408,588	1,322,962	1,731,550	273,400
Due in more than one year	1,840,410	13,560,259	15,400,669	288,400
Total liabilities	3,306,205	15,514,260	18,820,465	575,547
Deferred inflows of resources				
Deferred pension amounts	209,232	162,405	371,637	-
Net position				
Net investment in capital assets	12,163,991	11,661,616	23,825,607	10,658,845
Restricted for:				
Replacement fund	-	1,000	1,000	-
Bond reserve fund	-	8,000	8,000	-
Capital projects	324,878	-	324,878	-
Streets	4,841,612	-	4,841,612	-
Building department	263,541	-	263,541	-
Debt service	39,235	-	39,235	1,428,738
Pension benefits	353,846	274,655	628,501	-
Other purposes	294,801	-	294,801	-
Unrestricted	1,214,865	7,291,984	8,506,849	4,451,377
Total net position	\$ 19,496,769	\$ 19,237,255	\$ 38,734,024	\$ 16,538,960

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

VILLAGE OF DUNDEE, MICHIGAN

Statement of Activities

For the Year Ended February 28, 2022

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Primary government				
Governmental activities:				
Legislative	\$ 36,088	\$ -	\$ -	(36,088)
General government	1,316,119	497,012	-	(819,107)
Public safety	1,160,562	259,437	4,641	(896,484)
Public works	1,228,444	-	622,538	(605,906)
Culture and recreation	224,108	-	44,474	(179,634)
Interest on long-term debt	68,027	-	-	(68,027)
Total governmental activities	4,033,348	756,449	671,653	(2,605,246)
Business-type activities:				
Water	1,494,841	1,667,060	69,829	242,048
Sewer	2,588,016	2,621,438	74,672	108,094
Total business-type activities	4,082,857	4,288,498	144,501	350,142
Total primary government	\$ 8,116,205	\$ 5,044,947	\$ 816,154	\$ (2,255,104)
Component units				
Downtown Development Authority	\$ 298,590	\$ -	\$ -	(298,590)
LDFA - Global Engine Alliance	708,066	-	-	(708,066)
Economic Development Corporation	277,650	-	-	(277,650)
Brownfield Redevelopment Authority	8,588	-	-	(8,588)
Total component units	\$ 1,292,894	\$ -	\$ -	\$ (1,292,894)

continued...

VILLAGE OF DUNDEE, MICHIGAN

Statement of Activities

For the Year Ended February 28, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (2,605,246)	\$ 350,142	\$ (2,255,104)	\$ (1,292,894)
General revenues:				
Property taxes	1,928,854	-	1,928,854	842,857
Grants and contributions not restricted to specific programs	941,788	-	941,788	824,402
Unrestricted interest	1,249	5,634	6,883	3,839
Other	137,569	-	137,569	21,388
Transfers - internal activities	2,600	(2,600)	-	-
Total general revenues	3,012,060	3,034	3,015,094	1,692,486
Change in net position before special item	406,814	353,176	759,990	399,592
Special item - Settlement of claims (Note 13)	(600,000)	-	(600,000)	-
Change in net position	(193,186)	353,176	159,990	399,592
Net position, beginning of year	19,689,955	18,884,079	38,574,034	16,139,368
Net position, end of year	<u>\$ 19,496,769</u>	<u>\$ 19,237,255</u>	<u>\$ 38,734,024</u>	<u>\$ 16,538,960</u>

concluded.

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

VILLAGE OF DUNDEE, MICHIGAN

Balance Sheet

Governmental Funds

February 28, 2022

	General	Municipal Street	Major Streets
Assets			
Cash and cash equivalents	\$ 1,490,005	\$ 777,857	\$ 2,642,577
Accounts receivable	12,212	-	-
Taxes receivable	142,037	59,278	2,618
Special assessment receivable	-	-	780,308
Due from other governments	296,750	-	135,948
Due from other funds	39,248	-	-
Prepaid items	43,740	-	-
Total assets	\$ 2,023,992	\$ 837,135	\$ 3,561,451
Liabilities			
Due to other funds	\$ -	\$ -	\$ -
Accounts payable	116,219	-	26,660
Accrued payroll	24,123	-	4,829
Accrued liabilities	-	-	-
Other liabilities	220,000	-	-
Unearned revenue	13,421	-	-
Total liabilities	373,763	-	31,489
Deferred inflows of resources			
Unavailable revenue	-	-	780,308
Fund balances			
Nonspendable for prepaids	43,740	-	-
Restricted			
Highways and streets	-	837,135	2,749,654
Culture and recreation	-	-	-
Public improvements	-	-	-
Public safety	-	-	-
Economic development	-	-	-
Debt service	-	-	-
Unassigned	1,606,489	-	-
Total fund balances	1,650,229	837,135	2,749,654
Total liabilities and fund balances	\$ 2,023,992	\$ 837,135	\$ 3,561,451

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



Local Streets	Nonmajor Governmental Funds	Total Governmental Funds
\$ 367,894	\$ 998,613	\$ 6,276,946
-	3,386	15,598
3,157	-	207,090
283,541	-	1,063,849
48,450	-	481,148
-	-	39,248
-	3,132	46,872
<u>\$ 703,042</u>	<u>\$ 1,005,131</u>	<u>\$ 8,130,751</u>
\$ -	\$ 39,248	\$ 39,248
224,436	5,120	372,435
4,091	4,352	37,395
-	3,100	3,100
-	-	220,000
-	-	13,421
<u>228,527</u>	<u>51,820</u>	<u>685,599</u>
<u>283,541</u>	<u>-</u>	<u>1,063,849</u>
-	3,132	46,872
190,974	-	3,777,763
-	4,456	4,456
-	5,122	5,122
-	545,632	545,632
-	324,878	324,878
-	70,091	70,091
-	-	1,606,489
<u>190,974</u>	<u>953,311</u>	<u>6,381,303</u>
<u>\$ 703,042</u>	<u>\$ 1,005,131</u>	<u>\$ 8,130,751</u>

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VILLAGE OF DUNDEE, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
February 28, 2022

Fund balances - total governmental funds \$ 6,381,303

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

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

Capital assets not being depreciated	352,439
Capital assets being depreciated, net of accumulated depreciation	13,986,014

Internal service funds are used by management to charge the costs of certain equipment usage to individual governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Net position of governmental internal service funds	19,172
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Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, are not included in fund balance.

Deferred long-term special assessments receivable	1,063,849
---	-----------

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable and installment purchase contract	(2,174,462)
Accrued interest on long-term debt	(30,856)
Compensated absences	(74,536)
Other liabilities	(380,000)

Certain pension-related amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

Net pension asset	466,958
Deferred outflows related to the net pension asset	96,120
Deferred inflows related to the net pension asset	(209,232)

Net position of governmental activities \$ 19,496,769

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

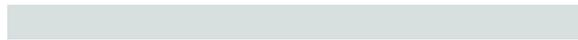
VILLAGE OF DUNDEE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended February 28, 2022

	General	Municipal Street	Major Streets
Revenues			
Property taxes	\$ 1,368,325	\$ 560,529	\$ -
Licenses and permits	68,943	-	-
State	664,217	6,719	455,351
Federal	10,890	-	-
Fines	94,295	-	-
Rental	296,004	-	-
Special assessments	-	-	143,865
Interest	1,085	945	1,700
Other	137,569	550	300
Total revenues	2,641,328	568,743	601,216
Expenditures			
Current expenditures:			
Legislative	36,088	-	-
General government	1,171,730	-	-
Public safety	798,883	-	-
Public works	352,307	14,041	428,183
Culture and recreation	-	-	-
Debt service:			
Principal	143,301	-	-
Interest and fiscal charges	20,051	-	-
Total expenditures	2,522,360	14,041	428,183
Revenues over (under) expenditures	118,968	554,702	173,033
Other financing sources (uses)			
Issuance of long-term debt	106,752	-	-
Transfers in	2,632	-	592,400
Transfers out	(279,001)	(673,200)	(87,596)
Total other financing sources (uses)	(169,617)	(673,200)	504,804



Local Streets	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,928,854
-	259,437	328,380
180,861	-	1,307,148
-	241,759	252,649
-	-	94,295
-	-	296,004
60,562	774	205,201
234	673	4,637
450	48,956	187,825
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242,107	551,599	4,604,993
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-	-	36,088
-	-	1,171,730
-	345,988	1,144,871
429,327	-	1,223,858
-	223,389	223,389
-	185,000	328,301
-	52,972	73,023
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429,327	807,349	4,201,260
<hr/>	<hr/>	<hr/>
(187,220)	(255,750)	403,733
<hr/>	<hr/>	<hr/>
-	-	106,752
175,032	417,492	1,187,556
(48,295)	(96,864)	(1,184,956)
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126,737	320,628	109,352
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VILLAGE OF DUNDEE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended February 28, 2022

	General	Municipal Street	Major Streets
Net change in fund balance before special item	\$ (50,649)	\$ (118,498)	\$ 677,837
Special item			
Settlement of claims (Note 13)	(220,000)	-	-
Net change in fund balances	(270,649)	(118,498)	677,837
Fund balances, beginning of year	1,920,878	955,633	2,071,817
Fund balances, end of year	<u>\$ 1,650,229</u>	<u>\$ 837,135</u>	<u>\$ 2,749,654</u>

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



Local Streets	Nonmajor Governmental Funds	Total Governmental Funds
\$ (60,483)	\$ 64,878	\$ 513,085
-	-	(220,000)
(60,483)	64,878	293,085
<u>251,457</u>	<u>888,433</u>	<u>6,088,218</u>
<u>\$ 190,974</u>	<u>\$ 953,311</u>	<u>\$ 6,381,303</u>

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VILLAGE OF DUNDEE, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended February 28, 2022

Net change in fund balances - total governmental funds \$ 293,085

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 allocated over their estimated useful lives and reported as depreciation expense.

Capital assets purchased / constructed	204,348
Depreciation expense	(817,079)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.

Change in deferred special assessments receivable	(167,431)
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Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term debt in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.

Principal payments on long-term debt	328,301
Issuance of long-term debt	(106,752)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Change in accrued interest payable on long-term debt	4,996
Change in net pension asset and related deferred outflows and inflows	447,274
Change in the accrual for compensated absences	72
Change in other liabilities	(380,000)

Change in net position of governmental activities \$ (193,186)

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

VILLAGE OF DUNDEE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended February 28, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 1,230,257	\$ 1,242,702	\$ 1,368,325	\$ 125,623
Licenses and permits	70,000	70,060	68,943	(1,117)
State	427,027	440,637	664,217	223,580
Federal	5,000	11,520	10,890	(630)
Fines	48,400	87,330	94,295	6,965
Rental	264,375	264,375	296,004	31,629
Interest	1,650	3,770	1,085	(2,685)
Other	59,577	153,722	137,569	(16,153)
Total revenues	2,106,286	2,274,116	2,641,328	367,212
Expenditures				
Current:				
Legislative - Village Council	44,875	42,055	36,088	(5,967)
General government:				
Village manager	-	30,900	16,132	(14,768)
Treasurer	1,593,747	1,140,417	1,112,207	(28,210)
Village hall and grounds	70,000	145,271	43,391	(101,880)
Total general government	1,663,747	1,316,588	1,171,730	(144,858)
Public safety:				
Police	830,314	808,537	650,068	(158,469)
Street lights	122,000	122,000	116,559	(5,441)
Engineering	54,780	121,375	32,256	(89,119)
Total public safety	1,007,094	1,051,912	798,883	(253,029)

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VILLAGE OF DUNDEE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended February 28, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Public works	\$ 428,943	\$ 347,097	\$ 352,307	\$ 5,210
Debt service:				
Principal	98,731	138,731	143,301	4,570
Interest and fiscal charges	23,880	47,596	20,051	(27,545)
Total debt service	122,611	186,327	163,352	(22,975)
Total expenditures	3,267,270	2,943,980	2,522,360	(421,620)
Revenues over (under) expenditures	(1,160,984)	(669,864)	118,968	788,832
Other financing sources (uses)				
Issuance of long-term debt	-	-	106,752	106,752
Transfers in	-	22,510	2,632	(19,878)
Transfers out	(154,021)	(267,586)	(279,001)	11,415
Total other financing sources (uses)	(154,021)	(245,076)	(169,617)	75,459
Net change in fund balance before special item	(1,315,005)	(914,940)	(50,649)	864,291
Special item				
Settlement of claims (Note 13)	-	-	(220,000)	220,000
Net change in fund balance	(1,315,005)	(914,940)	(270,649)	644,291
Fund balance, beginning of year	1,920,878	1,920,878	1,920,878	-
Fund balance, end of year	\$ 605,873	\$ 1,005,938	\$ 1,650,229	\$ 644,291

concluded.

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

VILLAGE OF DUNDEE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Municipal Street Special Revenue Fund

For the Year Ended February 28, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 610,000	\$ 610,000	\$ 560,529	\$ (49,471)
State	62,300	7,000	6,719	(281)
Interest	300	335	945	610
Other	600	1,150	550	(600)
Total revenues	673,200	618,485	568,743	(49,742)
Expenditures				
Public works - Construction	-	14,045	14,041	(4)
Revenues over expenditures	673,200	618,485	554,702	(49,742)
Other financing uses				
Transfers out	(673,200)	(773,200)	(673,200)	(100,000)
Net change in fund balance	-	(154,715)	(118,498)	36,217
Fund balance, beginning of year	955,633	955,633	955,633	-
Fund balance, end of year	\$ 955,633	\$ 800,918	\$ 837,135	\$ 36,217

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

VILLAGE OF DUNDEE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Major Streets Special Revenue Fund

For the Year Ended February 28, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
State	\$ 363,204	\$ 388,924	\$ 455,351	\$ 66,427
Special assessments	108,783	148,093	143,865	(4,228)
Interest	1,200	1,200	1,700	500
Other	-	300	300	-
Total revenues	<u>473,187</u>	<u>538,517</u>	<u>601,216</u>	<u>62,699</u>
Expenditures				
Public works:				
Construction	1,963,238	213,653	167,823	(45,830)
Maintenance	588,582	281,607	207,139	(74,468)
Administrative services	32,440	56,640	53,221	(3,419)
Total expenditures	<u>2,584,260</u>	<u>551,900</u>	<u>428,183</u>	<u>(123,717)</u>
Revenues over (under) expenditures	<u>(2,111,073)</u>	<u>(13,383)</u>	<u>173,033</u>	<u>186,416</u>
Other financing sources (uses)				
Transfers in	498,168	498,168	592,400	(94,232)
Transfers out	(86,596)	(86,596)	(87,596)	1,000
Total other financing sources	<u>411,572</u>	<u>411,572</u>	<u>504,804</u>	<u>93,232</u>
Net change in fund balance	<u>(1,699,501)</u>	<u>398,189</u>	<u>677,837</u>	<u>279,648</u>
Fund balance, beginning of year	<u>2,071,817</u>	<u>2,071,817</u>	<u>2,071,817</u>	<u>-</u>
Fund balance, end of year	<u>\$ 372,316</u>	<u>\$ 2,470,006</u>	<u>\$ 2,749,654</u>	<u>\$ 279,648</u>

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

VILLAGE OF DUNDEE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Local Streets Special Revenue Fund

For the Year Ended February 28, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
State	\$ 128,976	\$ 163,351	\$ 180,861	\$ 17,510
Special assessments	49,927	60,607	60,562	(45)
Interest	120	120	234	114
Other	-	450	450	-
Total revenues	<u>179,023</u>	<u>224,528</u>	<u>242,107</u>	<u>17,579</u>
Expenditures				
Public works:				
Construction	14,500	-	-	-
Maintenance	364,585	593,365	380,355	(213,010)
Administrative services	47,292	51,402	48,972	(2,430)
Total expenditures	<u>426,377</u>	<u>644,767</u>	<u>429,327</u>	<u>(215,440)</u>
Revenues under expenditures	<u>(247,354)</u>	<u>(420,239)</u>	<u>(187,220)</u>	<u>233,019</u>
Other financing sources (uses)				
Transfers in	175,032	275,032	175,032	100,000
Transfers out	(48,295)	(48,295)	(48,295)	-
Total other financing sources	<u>126,737</u>	<u>226,737</u>	<u>126,737</u>	<u>(100,000)</u>
Net change in fund balance	<u>(120,617)</u>	<u>(193,502)</u>	<u>(60,483)</u>	<u>133,019</u>
Fund balance, beginning of year	<u>251,457</u>	<u>251,457</u>	<u>251,457</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 130,840</u></u>	<u><u>\$ 57,955</u></u>	<u><u>\$ 190,974</u></u>	<u><u>\$ 133,019</u></u>

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

VILLAGE OF DUNDEE, MICHIGAN

Statement of Net Position

Proprietary Funds

February 28, 2022

	Business-type activities			Governmental Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Total	Unemployment Compensation Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 2,614,880	\$ 4,431,705	\$ 7,046,585	\$ 19,172
Accounts receivable	308,562	548,410	856,972	-
Taxes receivable	25	469	494	-
Prepaid items	26,154	26,154	52,308	-
Total current assets	<u>2,949,621</u>	<u>5,006,738</u>	<u>7,956,359</u>	<u>19,172</u>
Noncurrent assets:				
Capital assets not being depreciated	112,942	18,624	131,566	-
Capital assets being depreciated, net	4,875,031	21,513,904	26,388,935	-
Net pension asset	186,700	175,752	362,452	-
Total noncurrent assets	<u>5,174,673</u>	<u>21,708,280</u>	<u>26,882,953</u>	<u>-</u>
Total assets	<u>8,124,294</u>	<u>26,715,018</u>	<u>34,839,312</u>	<u>19,172</u>
Deferred outflows of resources				
Deferred pension amounts	<u>38,431</u>	<u>36,177</u>	<u>74,608</u>	<u>-</u>
Liabilities				
Current liabilities:				
Accounts payable	127,667	47,061	174,728	-
Unearned revenues	-	266,760	266,760	-
Accrued payroll	3,483	1,727	5,210	-
Accrued liabilities	15,250	1,000	16,250	-
Accrued interest payable	20,267	147,824	168,091	-
Compensated absences	23,890	446	24,336	-
Bonds payable, current portion	262,893	1,035,733	1,298,626	-
Total current liabilities	<u>453,450</u>	<u>1,500,551</u>	<u>1,954,001</u>	<u>-</u>
Noncurrent liabilities:				
Bonds payable	<u>1,017,466</u>	<u>12,542,793</u>	<u>13,560,259</u>	<u>-</u>
Total liabilities	<u>1,470,916</u>	<u>14,043,344</u>	<u>15,514,260</u>	<u>-</u>

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VILLAGE OF DUNDEE, MICHIGAN

Statement of Net Position

Proprietary Funds

February 28, 2022

	Business-type activities			Governmental Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Total	Unemployment Compensation Fund
Deferred inflows of resources				
Deferred pension amounts	\$ 83,655	\$ 78,750	\$ 162,405	\$ -
Net position				
Net investment in capital assets	3,707,614	7,954,002	11,661,616	-
Restricted:				
Replacement fund	1,000	-	1,000	-
Bond reserve fund	-	8,000	8,000	-
Pension benefits	141,476	133,179	274,655	-
Unrestricted	2,758,064	4,533,920	7,291,984	19,172
Total net position	\$ 6,608,154	\$ 12,629,101	\$ 19,237,255	\$ 19,172

concluded.

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

VILLAGE OF DUNDEE, MICHIGAN

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended February 28, 2022

	Business-type activities			Governmental Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Total	Unemployment Compensation Fund
Operating revenues				
Charges for services	\$ 1,667,060	\$ 2,621,438	\$ 4,288,498	\$ -
Other	69,829	74,672	144,501	-
Total operating revenues	<u>1,736,889</u>	<u>2,696,110</u>	<u>4,432,999</u>	<u>-</u>
Operating expenses				
Operating and maintenance wages	146,045	103,311	249,356	-
Employee benefits, including pension changes	12,536	201	12,737	-
Utilities and telephone	14,351	183,979	198,330	-
Water supply and system maintenance	724,979	194,112	919,091	-
Chemicals	31,412	24,442	55,854	-
Laboratory supplies	7,006	12,500	19,506	-
Office supplies	14,591	23,658	38,249	-
Depreciation	248,352	1,151,573	1,399,925	-
Miscellaneous	10,903	9,449	20,352	-
Engineering fees	12,975	73,666	86,641	-
Contractual services	199,493	349,307	548,800	-
Sanitation	-	91,142	91,142	-
Total operating expenses	<u>1,434,886</u>	<u>2,229,316</u>	<u>3,664,202</u>	<u>-</u>
Operating income	<u>302,003</u>	<u>466,794</u>	<u>768,797</u>	<u>-</u>
Nonoperating revenues (expenses)				
Interest revenue	2,074	3,560	5,634	-
Interest expense	(59,955)	(358,700)	(418,655)	-
Total nonoperating revenue (expenses)	<u>(57,881)</u>	<u>(355,140)</u>	<u>(413,021)</u>	<u>-</u>
Income before transfers	244,122	111,654	355,776	-
Transfers				
Transfers out	(1,300)	(1,300)	(2,600)	-
Change in net position	<u>242,822</u>	<u>110,354</u>	<u>353,176</u>	<u>-</u>
Net position, beginning of year	<u>6,365,332</u>	<u>12,518,747</u>	<u>18,884,079</u>	<u>19,172</u>
Net position, end of year	<u>\$ 6,608,154</u>	<u>\$ 12,629,101</u>	<u>\$ 19,237,255</u>	<u>\$ 19,172</u>

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

VILLAGE OF DUNDEE, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended February 28, 2022

	Business-type activities			Governmental Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Total	Unemployment Compensation Fund
Cash flows from operating activities				
Receipts from customers and users	\$ 1,727,722	\$ 2,681,495	\$ 4,409,217	\$ -
Cash received from (paid for) interfund services	-	(50)	(50)	-
Payments to suppliers and contractors	(989,188)	(1,058,666)	(2,047,854)	-
Payments to employees for services	(391,433)	(322,578)	(714,011)	-
Net cash provided by operating activities	<u>347,101</u>	<u>1,300,201</u>	<u>1,647,302</u>	<u>-</u>
Cash flows from noncapital financing activities				
Transfers out	(1,300)	(1,300)	(2,600)	-
Cash flows from capital and related financing activities				
Principal paid on debt	(249,999)	(961,402)	(1,211,401)	-
Interest paid on debt	(61,155)	(368,285)	(429,440)	-
Purchase of capital assets	-	(180,195)	(180,195)	-
Net cash used in capital and related financing activities	<u>(311,154)</u>	<u>(1,509,882)</u>	<u>(1,821,036)</u>	<u>-</u>
Cash flows from investing activities				
Interest income received	2,074	3,560	5,634	-
Net change in cash and cash equivalents	<u>36,721</u>	<u>(207,421)</u>	<u>(170,700)</u>	<u>-</u>
Cash and cash equivalents, beginning of year	<u>2,578,159</u>	<u>4,639,126</u>	<u>7,217,285</u>	<u>19,172</u>
Cash and cash equivalents, end of year	<u>\$ 2,614,880</u>	<u>\$ 4,431,705</u>	<u>\$ 7,046,585</u>	<u>\$ 19,172</u>

continued...

VILLAGE OF DUNDEE, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended February 28, 2022

	Business-type activities			Governmental Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Total	Unemployment Compensation Fund
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 302,003	\$ 466,794	\$ 768,797	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	248,352	1,151,573	1,399,925	-
Amortization of deferred charges	2,892	(19,266)	(16,374)	-
Changes in assets and liabilities:				
Accounts receivable	(9,142)	23,549	14,407	-
Taxes receivable	(25)	-	(25)	-
Prepaid items	24,879	25,983	50,862	-
Net pension asset	(287,816)	(268,236)	(556,052)	-
Deferred outflows related to the net pension asset	16,489	14,055	30,544	-
Accounts payable	26,214	(91,383)	(65,169)	-
Unearned revenue	-	(38,164)	(38,164)	-
Due to other funds	-	(50)	(50)	-
Accrued payroll	449	292	741	-
Accrued liabilities	(15,669)	(61)	(15,730)	-
Compensated absences	251	(2,082)	(1,831)	-
Deferred inflows related to the net pension asset	38,224	37,197	75,421	-
Net cash provided by operating activities	\$ 347,101	\$ 1,300,201	\$ 1,647,302	\$ -

concluded.

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

VILLAGE OF DUNDEE, MICHIGAN

Statement of Fiduciary Net Position

Custodial Fund

February 28, 2022

	Tax Collection Fund
Assets	
Cash and cash equivalents	\$ -
Liabilities	
Due to other governments	-
	<hr/>
Net position	
Restricted for other governments	\$ -
	<hr/> <hr/>

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

VILLAGE OF DUNDEE, MICHIGAN

Statement of Changes in Fiduciary Net Position

Custodial Fund

For the Year Ended February 28, 2022

	Tax Collection Fund
Additions	
Interest	\$ 67
Taxes collected for other governments	<u>50,781</u>
Total additions	50,848
Deductions	
Payments of taxes to other governments	<u>50,848</u>
Change in net position	-
Net position -	
Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>

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

VILLAGE OF DUNDEE, MICHIGAN

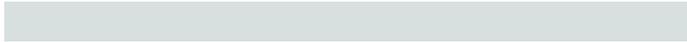
Combining Statement of Net Position

Discretely Presented Component Units

February 28, 2022

	Downtown Development Authority	Local Development Financing Authority Water Plant	Local Development Financing Authority Global Engine Alliance
Assets			
Cash and cash equivalents	\$ 5,712	\$ 168,126	\$ 4,281,540
Due from other governments	93,418	-	368,938
Prepays	3,380	-	-
Capital assets not being depreciated	282,394	-	-
Capital assets being depreciated, net	271,840	-	3,859,656
Total assets	<u>656,744</u>	<u>168,126</u>	<u>8,510,134</u>
Liabilities			
Accounts payable	215	-	-
Accrued payroll	2,365	-	-
Interest payable	-	-	7,229
Long-term debt:			
Due within one year	-	-	273,400
Due in more than one year	-	-	288,400
Total liabilities	<u>2,580</u>	<u>-</u>	<u>569,029</u>
Net position			
Net investment in capital assets	554,234	-	3,297,856
Restricted for debt service	-	-	1,428,738
Unrestricted	99,930	168,126	3,214,511
Total net position	<u>\$ 654,164</u>	<u>\$ 168,126</u>	<u>\$ 7,941,105</u>

The accompanying notes are an integral part of these basic financial statements.



Economic Development Corporation	Brownfield Redevelopment Authority	Total
\$ 81,028	\$ 891,720	\$ 5,428,126
-	-	462,356
-	-	3,380
3,300,000	-	3,582,394
3,506,755	-	7,638,251
<hr/>	<hr/>	<hr/>
6,887,783	891,720	17,114,507
<hr/>	<hr/>	<hr/>
-	3,938	4,153
-	-	2,365
-	-	7,229
-	-	273,400
-	-	288,400
<hr/>	<hr/>	<hr/>
-	3,938	575,547
<hr/>	<hr/>	<hr/>
6,806,755	-	10,658,845
-	-	1,428,738
81,028	887,782	4,451,377
<hr/>	<hr/>	<hr/>
<u>\$ 6,887,783</u>	<u>\$ 887,782</u>	<u>\$ 16,538,960</u>

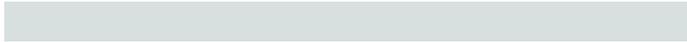
VILLAGE OF DUNDEE, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended February 28, 2022

	Downtown Development Authority	Local Development Financing Authority Water Plant	Local Development Financing Authority Global Engine Alliance
Revenues			
General:			
Property taxes	\$ 171,029	\$ -	\$ 670,162
State	7,409	-	816,219
Interest	51	21	3,011
Other	21,388	-	-
Total revenues	<u>199,877</u>	<u>21</u>	<u>1,489,392</u>
Expenses			
Public works	298,590	-	679,124
Interest	-	-	28,942
Total expenses	<u>298,590</u>	<u>-</u>	<u>708,066</u>
Change in net position	(98,713)	21	781,326
Net position, beginning of year	<u>752,877</u>	<u>168,105</u>	<u>7,159,779</u>
Net position, end of year	<u>\$ 654,164</u>	<u>\$ 168,126</u>	<u>\$ 7,941,105</u>

The accompanying notes are an integral part of these basic financial statements.



Economic Development Corporation	Brownfield Redevelopment Authority	Total
\$ -	\$ 1,666	\$ 842,857
-	774	824,402
65	691	3,839
-	-	21,388
<hr/>	<hr/>	<hr/>
65	3,131	1,692,486
<hr/>	<hr/>	<hr/>
277,650	8,588	1,263,952
-	-	28,942
<hr/>	<hr/>	<hr/>
277,650	8,588	1,292,894
<hr/>	<hr/>	<hr/>
(277,585)	(5,457)	399,592
<hr/>	<hr/>	<hr/>
7,165,368	893,239	16,139,368
<hr/>	<hr/>	<hr/>
<u>\$ 6,887,783</u>	<u>\$ 887,782</u>	<u>\$ 16,538,960</u>

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NOTES TO FINANCIAL STATEMENTS

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Village of Dundee, Michigan (the "Village") 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.

Discretely presented component units

The following component units are reported within the component unit column in the statement of net position.

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. A majority of the board is appointed by the Village.

The *Local Development Finance Authority* (LDFA) - *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. A majority of the board is appointed by the Village.

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. A majority of the board is appointed by the Village.

The *Economic Development Corporation* (EDC) was created to encourage economic development within the Village. A majority of the board is appointed by the Village.

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. A majority of the board is appointed by the Village.

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 nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

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

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

Measurement focus, basis of accounting, and financial statement presentation

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

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 Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement-based grants which use one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses and permits, state revenue, fees, 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 Village reports the following major governmental funds:

The *general fund* is the Village's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The *municipal street special revenue fund* is used to account for tax revenue restricted for street improvements and other local revenue related to streets.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

The *major streets special revenue fund* is used to account for expenditures associated with the construction and maintenance needs of the major street portion (as defined by State Act 51) of the Village's street network.

The *local streets special revenue fund* receives allocations of State collected gasoline taxes and license fees to be used for the maintenance, repair, and construction of streets and bridges within the Village.

The Village reports the following major proprietary funds:

The *water fund* accounts for the operation and maintenance of the water systems, capital additions and improvements, and retirement of related long-term debt. Financing is provided by user charges.

The *sewer fund* accounts for the operation and maintenance of the sewer systems, capital additions and improvements, and retirement of related long-term debt. Financing is provided by user charges.

Additionally, the Village reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *debt service funds* account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term general obligation debt of governmental funds not being financed by proprietary funds.

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The *internal service fund* accounts for operations that provide services to other departments or agencies of the Village on a cost-reimbursement basis.

The *custodial fund* accounts for assets held by the Village as a custodian for individuals, private organizations, and other governments.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

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

Restricted net position is reported for amounts that are subject to restrictions beyond the Village's control. The restrictions may be externally imposed or imposed by law. 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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The Village pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

Receivables and unearned revenues

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

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

Prepaid items

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 using the consumption method.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

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.

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.

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:

	Years
Land improvements	15-33
Infrastructure	20-50
Buildings	10-33
Improvements other than buildings	3-20
Equipment	5-20
Vehicles	5-20
Water and sewer lines	33-100

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.

Deferred outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports deferred outflows of resources related to pension.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

Compensated absences

It is the Village's policy to permit employees to accumulate earned but unused sick and vacation time. A liability for sick and vacation time is accrued when incurred in the government-wide and proprietary fund financial statements, whereas it is reported in governmental funds only if it has matured, for example, as a result of employee resignations or retirements.

Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Deferred inflows of resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until that time. The governmental funds also report unavailable revenues (special assessment revenues), which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the Village reports deferred inflows of resources related to pension.

Fund balances

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Village Council. A formal resolution of the Village Council is required to establish, modify, or rescind a fund balance commitment. The Village currently has no committed fund balance. The Village has no assigned fund balance as the Village Council has not yet given authority for the making of such assignments; assigned fund balances are neither restricted nor committed. Unassigned fund balance is the residual classification for the general fund or for any fund in a deficit position.

When the Village incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

Property taxes

Village property taxes are attached as an enforceable lien on property as of December 31. The taxes are levied July 1 and are due without penalty on or before September 14. The Village bills and collects its own property taxes for general governmental services. Unpaid real property taxes are turned over to Monroe County and reimbursed through a revolving fund. Therefore, property taxes receivable are not accounted for under the 60-day rule. The Village's general operating tax rate for fiscal year 2021-22 was 6.9221 mills with an additional 2.8889 mills for municipal highway.

Pensions

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

Use of estimates

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

2. BUDGETARY INFORMATION

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The general fund and special revenue funds are subject to legal budgetary accounting controls and all are budgeted annually.

Annual budgets are adopted on a basis consistent with GAAP 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.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year ended February 28, 2022, the Village incurred the following instance of expenditures in excess of the amounts appropriated.

	Final Budget	Actual	Variance with Final Budget
General fund			
Public works	\$ 347,097	\$ 352,307	\$ 5,210
Debt service -			
Principal	138,731	143,301	4,570
Other financing uses -			
Transfers out	267,586	279,001	11,415
Special item	-	220,000	220,000
Major streets fund			
Other financing uses -			
Transfers out	86,596	87,596	1,000

4. CASH AND CASH EQUIVALENTS

Following is a reconciliation of cash and cash equivalents as of February 28, 2022:

	Primary Government	Component Units	Totals
Statement of net position			
Cash and cash equivalents	\$ 13,342,703	\$ 5,428,126	\$ 18,770,829
Deposits			
Demand deposits (checking/savings accounts)			\$ 18,770,829

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

Statutes authorize the Village to invest funds in the following:

- Bonds, securities, other obligations, and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions that, at the time of purchase, are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the investment company act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

Investment and Deposit Risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the listing of authorized investments above. The Village's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Village had no investments at February 28, 2022.

Credit Risk. State law limits investments to specific government securities, certificates of deposits, and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds, and qualified external investment pools as identified in the list of authorized investments above. The Village's investment policy does not have specific limits in excess of state law on investment credit risk. The Village had no investments at February 28, 2022.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. State law does not require and the Village does not have a policy for deposit custodial credit risk. As of year-end, \$18,705,176 of the Village's bank balance of \$18,955,176 was exposed to custodial credit risk because it was uninsured and uncollateralized.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Village does not have a policy for investment custodial credit risk. The Village had no investments at February 28, 2022.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The Village’s investment policy does not have specific limits in excess of state law on concentration of credit risk. The Village had no investments at February 28, 2022.

5. RECEIVABLES

Receivables in the governmental, business-type activities, and component units are as follows:

	Governmental Activities	Business-type Activities	Component Units
Accounts receivable	\$ 15,598	\$ 856,972	\$ -
Taxes receivable	207,090	494	-
Special assessment receivable	1,063,849	-	-
Due from other governments	481,148	-	462,356
	<u>\$ 1,767,685</u>	<u>\$ 857,466</u>	<u>\$ 462,356</u>
Amount not expected to be collected within one year	<u>\$ 1,063,849</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

6. CAPITAL ASSETS

Primary government

Capital asset activity for the year ended February 28, 2022 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities				
Capital assets not being depreciated -				
Land	\$ 352,439	\$ -	\$ -	\$ 352,439
Capital assets being depreciated:				
Land improvements	181,174	-	-	181,174
Infrastructure	18,039,887	57,084	-	18,096,971
Buildings	4,421,644	12,128	-	4,433,772
Improvements other than buildings	298,647	-	-	298,647
Equipment	407,053	135,136	-	542,189
Vehicles	1,176,751	-	-	1,176,751
	<u>24,525,156</u>	<u>204,348</u>	<u>-</u>	<u>24,729,504</u>
Less accumulated depreciation for:				
Land improvements	(59,927)	(8,805)	-	(68,732)
Infrastructure	(6,392,772)	(549,020)	-	(6,941,792)
Buildings	(1,995,967)	(140,174)	-	(2,136,141)
Improvements other than buildings	(226,592)	(9,050)	-	(235,642)
Equipment	(344,426)	(33,276)	-	(377,702)
Vehicles	(906,727)	(76,754)	-	(983,481)
	<u>(9,926,411)</u>	<u>(817,079)</u>	<u>-</u>	<u>(10,743,490)</u>
Total capital assets				
being depreciated, net	<u>14,598,745</u>	<u>(612,731)</u>	<u>-</u>	<u>13,986,014</u>
Governmental activities				
capital assets, net	<u>\$ 14,951,184</u>	<u>\$ (612,731)</u>	<u>\$ -</u>	<u>\$ 14,338,453</u>

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 131,566	\$ -	\$ -	\$ 131,566
Capital assets being depreciated:				
Vehicle and equipment	582,677	-	-	582,677
Building and improvements	16,666,337	-	-	16,666,337
Water and sewer lines	28,098,631	180,195	-	28,278,826
	<u>45,347,645</u>	<u>180,195</u>	<u>-</u>	<u>45,527,840</u>
Less accumulated depreciation for:				
Vehicle and equipment	(534,546)	(17,037)	-	(551,583)
Building and improvements	(8,854,280)	(461,684)	-	(9,315,964)
Water and sewer lines	(8,350,154)	(921,204)	-	(9,271,358)
	<u>(17,738,980)</u>	<u>(1,399,925)</u>	<u>-</u>	<u>(19,138,905)</u>
Total capital assets being depreciated, net	<u>27,608,665</u>	<u>(1,219,730)</u>	<u>-</u>	<u>26,388,935</u>
Business-type activities capital assets, net	<u>\$ 27,740,231</u>	<u>\$ (1,219,730)</u>	<u>\$ -</u>	<u>\$ 26,520,501</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Depreciation of governmental activities by function

General government	\$ 659,676
Public safety	29,461
Public works	126,059
Culture and recreation	1,883
	<u>\$ 817,079</u>

Depreciation of business-type activities by function

Water	\$ 248,352
Sewer	1,151,573
	<u>\$ 1,399,925</u>

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

Component unit - DDA

Capital asset activity for the DDA for the year ended February 28, 2022 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component unit - DDA				
Capital assets not being depreciated - Land	\$ 282,394	\$ -	\$ -	\$ 282,394
Capital assets being depreciated - Land improvements	618,855	-	-	618,855
Less accumulated depreciation for - Land improvements	(329,350)	(17,665)	-	(347,015)
Total capital assets being depreciated, net	289,505	(17,665)	-	271,840
DDA capital assets, net	\$ 571,899	\$ (17,665)	\$ -	\$ 554,234

Component unit - LDFA Global Engine Alliance

Capital asset activity for the LDFA Global Engine Alliance for the year ended February 28, 2022 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component unit - LDFA Global Engine Alliance				
Capital assets being depreciated - Streets and ramps	\$ 6,220,787	\$ -	\$ -	\$ 6,220,787
Less accumulated depreciation for - Streets and ramps	(2,205,389)	(155,742)	-	(2,361,131)
LDFA Global Engine Alliance capital assets, net	\$ 4,015,398	\$ (155,742)	\$ -	\$ 3,859,656

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

Component unit - EDC

Capital asset activity for the EDC for the year ended February 28, 2022 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component unit - EDC				
Capital assets not being depreciated - Land	\$ 3,300,000	\$ -	\$ -	\$ 3,300,000
Capital assets being depreciated:				
Water and sewer lines	2,396,074	-	-	2,396,074
Storm sewers	1,830,690	-	-	1,830,690
Streets and ramps	4,827,935	-	-	4,827,935
	<u>9,054,699</u>	<u>-</u>	<u>-</u>	<u>9,054,699</u>
Less accumulated depreciation for:				
Water and sewer lines	(910,507)	(47,921)	-	(958,428)
Storm sewers	(695,660)	(36,614)	-	(732,274)
Streets and ramps	(3,664,127)	(193,115)	-	(3,857,242)
	<u>(5,270,294)</u>	<u>(277,650)</u>	<u>-</u>	<u>(5,547,944)</u>
Total capital assets being depreciated, net	<u>3,784,405</u>	<u>(277,650)</u>	<u>-</u>	<u>3,506,755</u>
EDC capital assets, net	<u>\$ 7,084,405</u>	<u>\$ (277,650)</u>	<u>\$ -</u>	<u>\$ 6,806,755</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payables and accrued liabilities in the governmental, business-type activities and component units are as follows:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 372,435	\$ 174,728	\$ 4,153
Accrued payroll	37,395	5,210	2,365
Accrued liabilities	3,100	16,250	-
Accrued interest payable	30,856	168,091	7,229
	<u>\$ 443,786</u>	<u>\$ 364,279</u>	<u>\$ 13,747</u>

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

At February 28, 2022, amounts due from and due to other funds were as follows:

Receivable funds	Payable Funds
	Nonmajor Governmental Funds
General fund	<u>\$ 39,248</u>

The Village has interfund balances between many of its funds. The sum of all balances presented in the tables above agrees with the sum of interfund balances presented in the statements of net position/balance sheet for governmental funds and proprietary funds. These interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the year ended February 28, 2022, interfund transfers are summarized as follows:

	Transfers In				Totals
	General Fund	Major Streets Fund	Local Streets Fund	Nonmajor Governmental Funds	
Transfers Out					
General fund	\$ -	\$ -	\$ -	\$ 279,001	\$ 279,001
Municipal street fund	-	498,168	175,032	-	673,200
Major streets fund	-	-	-	87,596	87,596
Local streets fund	-	-	-	48,295	48,295
Nonmajor governmental funds	2,632	94,232	-	-	96,864
Water fund	-	-	-	1,300	1,300
Sewer fund	-	-	-	1,300	1,300
	<u>\$ 2,632</u>	<u>\$ 592,400</u>	<u>\$ 175,032</u>	<u>\$ 417,492</u>	<u>\$ 1,187,556</u>

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

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

9. LONG-TERM DEBT

Long-term debt activity for the year ended February 28, 2022 is summarized as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 1,840,000	\$ -	\$ (225,000)	\$ 1,615,000	\$ 230,000
Notes from direct borrowing/placements - Installment purchase agreements	556,012	106,751	(103,301)	559,462	104,052
Compensated absences	74,608	61,358	(61,430)	74,536	74,536
Total governmental activities	<u>\$ 2,470,620</u>	<u>\$ 168,109</u>	<u>\$ (389,731)</u>	<u>\$ 2,248,998</u>	<u>\$ 408,588</u>

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type activities					
General obligation bonds	\$ 15,829,462	\$ -	\$ (1,211,401)	\$ 14,618,061	\$ 1,315,000
Deferred amounts:					
For issuance discounts	(12,534)	-	2,892	(9,642)	2,893
For issuance premiums	269,732	-	(19,266)	250,466	(19,267)
Compensated absences	26,167	10,818	(12,649)	24,336	24,336
Total business-type activities	<u>\$ 16,112,827</u>	<u>\$ 10,818</u>	<u>\$ (1,240,424)</u>	<u>\$ 14,883,221</u>	<u>\$ 1,322,962</u>
Component unit					
General obligation bonds	\$ 1,370,000	\$ -	\$ (805,000)	\$ 565,000	\$ 275,000
Deferred amounts - For issuance discounts	(4,800)	-	1,600	(3,200)	(1,600)
Total component unit	<u>\$ 1,365,200</u>	<u>\$ -</u>	<u>\$ (803,400)</u>	<u>\$ 561,800</u>	<u>\$ 273,400</u>

For governmental activities, compensated absences are generally liquidated by the general fund.

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are issued as five to 25 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	Year of Maturity	Interest Rates	Original Amount	Amount
Governmental activities				
2008 capital improvement limited tax bonds	2024	2.75% -4.50%	\$ 370,000	\$ 75,000
2008 special assessment tax bonds	2024	4.5%	222,060	40,000
2008 capital improvement limited tax bonds	2024	4.5%	105,000	30,000
2006 capital improvement tax bonds	2027	3.75% -4.50%	1,300,000	510,000
2013 general obligation refunding bonds	2027	2.39%	1,660,000	275,000
2019 special assessment tax bonds	2034	3.10%	740,000	<u>685,000</u>
Total governmental activities				<u><u>\$ 1,615,000</u></u>
Business-type activities				
2012 limited tax general obligation bonds	2023	2.42%	\$ 3,530,000	\$ 760,000
2010 limited tax general obligation bonds	2026	2.00% -4.25%	3,100,000	1,250,000
2008 capital improvement limited tax bonds	2028	3.00% -4.50%	446,690	80,000
2019 limited tax general obligation bonds	2034	4.0%	2,495,000	2,290,000
2015 limited tax general obligation bonds	2036	2.5%	4,406,043	3,476,043
2017 limited tax general obligation bonds	2039	2.5%	8,000,000	<u>6,762,018</u>
Total business-type activities				<u><u>\$ 14,618,061</u></u>
Component units				
2004B obligation limited tax bonds	2024	3.00% -4.00%	425,000	\$ 50,000
2013 refunding bonds	2024	1.25% -3.75%	2,100,000	<u>515,000</u>
Total component units				<u><u>\$ 565,000</u></u>

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

Annual debt service requirements to maturity for general obligation are as follows:

Year Ended February 28/29,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 230,000	\$ 50,960	\$ 1,315,000	\$ 404,973
2024	235,000	42,415	1,325,000	366,542
2025	220,000	34,098	960,000	332,345
2026	185,000	26,885	990,000	301,899
2027	190,000	20,327	1,010,000	270,145
2028-2032	405,000	41,656	4,070,000	988,008
2033-2037	150,000	6,324	4,066,043	392,070
2038-2039	-	-	882,018	33,101
	<u>\$ 1,615,000</u>	<u>\$ 222,665</u>	<u>\$ 14,618,061</u>	<u>\$ 3,089,083</u>

Year Ended February 28/29,	Component Units	
	Principal	Interest
2023	\$ 275,000	\$ 16,438
2024	290,000	5,592
	<u>\$ 565,000</u>	<u>\$ 22,030</u>

Notes from direct borrowings / placements - installment purchase agreements. The government enters into installment purchase agreements for equipment and related capital assets. Installment purchase agreements outstanding at year-end are as follows:

	Interest Rate	Original Amount	Amount
Installment purchase agreements			
Governmental activities:			
2014 installment agreement - Honeywell	3.10%	\$ 727,441	\$ 372,431
2019 installment agreement - Peterbilt snowplow	4.39%	225,112	92,994
2021 installment agreement - John Deere	2.75%	106,751	94,037
		<u>\$ 1,059,304</u>	<u>\$ 559,462</u>

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

Annual debt service requirements to maturity for the installment purchase agreements are as follows:

Year Ended February 28/29,	Governmental Activities	
	Principal	Interest
2023	\$ 104,052	\$ 18,246
2024	107,833	14,466
2025	62,175	10,543
2026	64,068	8,650
2027	106,686	6,697
2028-2029	114,648	5,358
	<u>\$ 559,462</u>	<u>\$ 63,960</u>

10. 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. The remainder is restricted for debt service.

11. 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, 2022, the Downtown Development Fund recorded \$171,029 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, 2022, the Local Development Finance Fund (Water Fund) recorded no 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, 2022, the Local Development Finance Authority (Global Engine Project) recorded \$670,162 as property tax revenue generated from the properties under improvement.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

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, 2022, the Authority recorded \$1,666 in property tax revenue.

12. RISK MANAGEMENT

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Village has purchased commercial insurance for medical benefit claims. The Village participates in the Michigan Municipal League risk pool for claims relating to workers' compensation, property loss, torts, and errors and omissions. Settled claims related to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

13. CONTINGENCIES

In the normal course of its activities, the Village has become party in various legal actions, including property tax assessment appeals. Management of the Village is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Village and, therefore, has not reflected loss reserves in the financial statements.

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

Subsequent to year-end, the Village was presented with claims from eleven current and former employees of the Village alleging that they should have been entitled to participate in, accrue benefits under, and/or receive retirement benefits through the Village's pension plan. The Village has recorded a liability to cover the potential loss in the amount of \$600,000.

14. 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 its union contract. Eligible employees were both union and non-union employees with 20 years of service as of October 1, 2009, or who attain 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 the employee and spouse is age 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.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

As of February 28, 2010, five employees had participated in the Voluntary Separation Program and, therefore, will be eligible to participate in the continued health insurance coverage. Of the five terminated employees only one will potentially receive health insurance coverage. The terminated employee has reached the age of 65 after year end and it is still being determined if there is an eligible spouse to receive benefits. The Village does not believe these costs are reasonably estimable, it has decided to expense the costs at the time they are incurred.

15. CONSENT ORDER COSTS AND FINES

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.

16. PENSION PLAN

General Information About the Plan

Plan Description. The Village's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Village participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

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 December 31, 2020, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>11</u>
Total membership	<u><u>32</u></u>

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

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 February 28, 2022, the Village's average contribution was 33.75% 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 additional contributions of \$949,533 for the year ended February 28, 2022.

Net Pension Asset. The Village's net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020.

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation

The base mortality tables used are constructed as described below and are based on amount weighted sex distinct rates:

- Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120
- Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120
- Disabled retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

Long-term Expected Rate of Return. 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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.0%	5.25%	3.15%
Global fixed income	20.0%	1.25%	0.25%
Private investments	20.0%	7.25%	1.45%
	100.0%		
Inflation			2.50%
Administrative expenses netted above			0.25%
Investment rate of return			7.60%

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2020 was 7.6% (down from 8.0% at December 31, 2019). 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.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

Changes in Net Pension Liability (Asset)

The components of the change in the net pension liability (asset) are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at December 31, 2020	\$ 4,309,095	\$ 4,012,388	\$ 296,707
Changes for the year:			
Service cost	65,467	-	65,467
Interest	316,658	-	316,658
Differences between expected and actual experience	113,227	-	113,227
Changes in assumptions	142,864	-	142,864
Employer contributions	-	998,918	(998,918)
Employee contributions	-	53,264	(53,264)
Net investment income	-	665,514	(665,514)
Benefit payments, including refunds of employee contributions	(350,543)	(350,543)	-
Administrative expense	-	(7,639)	7,639
Other changes	(54,276)	-	(54,276)
Net changes	<u>233,397</u>	<u>1,359,514</u>	<u>(1,126,117)</u>
Balances at December 31, 2021	<u>\$ 4,542,492</u>	<u>\$ 5,371,902</u>	<u>\$ (829,410)</u>

Changes in Assumptions. A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net Pension Asset to Changes in the Discount Rate. The following presents the net pension asset of the Village, calculated using the discount rate of 7.6%, as well as what the Village's net pension asset would be if it were calculated using a discount rate that is 1% lower (6.6%) or 1% higher (8.6%) than the current rate:

1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
\$ (385,725)	\$ (829,410)	\$ (1,205,771)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

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

For the year ended February 28, 2022, the Village recognized pension expense of \$42,091. The Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 75,485	\$ -	\$ 75,485
Changes in assumptions	95,243	-	95,243
Net difference between projected and actual earnings on pension plan investments	-	371,637	(371,637)
	<u>\$ 170,728</u>	<u>\$ 371,637</u>	<u>\$ (200,909)</u>

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

Amounts reported as deferred outflows and inflows of resources related to the pension will be recognized in pension expense as follows:

Year Ended February 28/29,	Amount
2023	\$ 13,079
2024	(43,310)
2025	(103,838)
2026	<u>(66,840)</u>
Total	\$ <u>(200,909)</u>

Payable to the Pension Plan. At February 28, 2022, the Village had no amounts payable to contributions to the pension plan.

17. NET INVESTMENT IN CAPITAL ASSETS

Following is a summary of the Village's net investment in capital assets as presented in the government-wide statement of net position:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 352,439	\$ 131,566	\$ 3,582,394
Capital assets being depreciated, net	13,986,014	26,388,935	7,638,251
	<u>14,338,453</u>	<u>26,520,501</u>	<u>11,220,645</u>
Related debt:			
Total bonds, loans, and other installment debt	2,174,462	14,618,061	565,000
Discounts/premium on bonds	-	240,824	(3,200)
	<u>2,174,462</u>	<u>14,858,885</u>	<u>561,800</u>
Net investment in capital assets	\$ <u>12,163,991</u>	\$ <u>11,661,616</u>	\$ <u>10,658,845</u>

VILLAGE OF DUNDEE, MICHIGAN

Notes to Financial Statements

18. TAX ABATEMENTS

The Village received reduced property tax revenues during 2022 as a result of industrial facilities tax exemptions ("IFT's") and brownfield redevelopment agreements entered into by cities, villages, townships, and authorities within the Village.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Developments Districts Act (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high-tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the Village. The abatements amounted to \$59,126 in reduced Village tax revenues for 2022.

19. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the Village for providing emergency services to its citizens, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. The Village directly received over \$240,000 during 2022 from various funding sources to be used to respond to the impacts of the COVID-19 pandemic through the CARES Act and other funding sources. This funding was used to provide relief in multiple areas such as vaccination programs, personal protection equipment (PPE) programs, small business grants, housing assistance and food and transportation assistance among others.

20. SUBSEQUENT EVENTS

In April 2022, the Village entered into an installment purchase agreement for a new street sweeper and accessories in the amount of \$253,452, with annual payments of \$54,711.



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REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF DUNDEE, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

	Year Ended February 28/29,			
	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 65,467	\$ 42,993	\$ 41,361	\$ 40,318
Interest on total pension liability	316,658	317,716	316,773	312,283
Difference between expected and actual experience	113,227	68,230	22,449	21,175
Assumption changes	142,864	120,181	-	-
Benefit payments	(350,543)	(337,167)	(315,994)	(321,211)
Other	(54,276)	(21,395)	(43,027)	426
Net change in total pension liability	<u>233,397</u>	<u>190,558</u>	<u>21,562</u>	<u>52,991</u>
Total pension liability, beginning of year	<u>4,309,095</u>	<u>4,118,537</u>	<u>4,096,975</u>	<u>4,043,984</u>
Total pension liability, end of year	<u>4,542,492</u>	<u>4,309,095</u>	<u>4,118,537</u>	<u>4,096,975</u>
Plan fiduciary net position				
Employer contributions	998,918	1,353,634	269,919	211,396
Employee contributions	53,264	48,596	32,629	31,390
Pension plan net investment income (loss)	665,514	429,254	302,590	(92,069)
Benefit payments and refunds	(350,543)	(337,167)	(315,994)	(321,211)
Pension plan administrative expense	(7,639)	(5,482)	(5,213)	(4,591)
Net change in plan fiduciary net position	<u>1,359,514</u>	<u>1,488,835</u>	<u>283,931</u>	<u>(175,085)</u>
Plan fiduciary net position, beginning of year	<u>4,012,388</u>	<u>2,523,553</u>	<u>2,239,622</u>	<u>2,414,707</u>
Plan fiduciary net position, end of year	<u>5,371,902</u>	<u>4,012,388</u>	<u>2,523,553</u>	<u>2,239,622</u>
Net pension liability (asset)	<u>\$ (829,410)</u>	<u>\$ 296,707</u>	<u>\$ 1,594,984</u>	<u>\$ 1,857,353</u>
Plan fiduciary net position as a percentage of total pension liability	118.26%	93.11%	61.27%	54.67%
Covered payroll	\$ 693,889	\$ 466,129	\$ 448,435	\$ 434,195
Net pension liability (asset) as a percentage of covered payroll	-119.53%	63.65%	355.68%	427.77%

See Notes to Required Supplementary Information.



Year Ended February 28/29,

2018	2017	2016
-------------	-------------	-------------

\$ 45,837	\$ 45,172	\$ 42,319
308,907	292,091	288,145
(9,767)	28,075	-
-	174,752	-
(324,726)	(295,740)	(319,834)
22,951	(19,992)	25,222
<u>43,202</u>	<u>224,358</u>	<u>35,852</u>
<u>4,000,782</u>	<u>3,776,424</u>	<u>3,740,572</u>
<u>4,043,984</u>	<u>4,000,782</u>	<u>3,776,424</u>

74,930	75,572	71,757
30,851	34,313	36,356
296,358	250,254	(35,054)
(324,726)	(295,740)	(319,834)
(4,715)	(4,949)	(5,342)
<u>72,698</u>	<u>59,450</u>	<u>(252,117)</u>
<u>2,342,009</u>	<u>2,282,559</u>	<u>2,534,676</u>
<u>2,414,707</u>	<u>2,342,009</u>	<u>2,282,559</u>
<u>\$ 1,629,277</u>	<u>\$ 1,658,773</u>	<u>\$ 1,493,865</u>

59.71%	58.54%	60.44%
\$ 513,728	\$ 502,352	\$ 490,999
317.15%	330.20%	304.25%

VILLAGE OF DUNDEE, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan
 Schedule of Contributions

Fiscal Year Ending February 28/29,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2016	\$ 71,757	\$ 71,757	\$ -	\$ 490,999	14.61%
2017	75,572	75,572	-	502,352	15.04%
2018	74,930	74,930	-	513,728	14.59%
2019	86,396	211,396	(125,000)	434,195	48.69%
2020	119,919	269,919	(150,000)	486,482	55.48%
2021	203,433	1,353,634	(1,150,201)	706,564	191.58%
2022	49,385	998,918	(949,533)	779,780	128.10%

See Notes to Required Supplementary Information.

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

VILLAGE OF DUNDEE, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

February 28, 2022

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Totals
Assets				
Cash and cash equivalents	\$ 602,249	\$ 326,273	\$ 70,091	\$ 998,613
Accounts receivable	3,386	-	-	3,386
Prepaid items	3,132	-	-	3,132
Total assets	<u>\$ 608,767</u>	<u>\$ 326,273</u>	<u>\$ 70,091</u>	<u>\$ 1,005,131</u>
Liabilities				
Due to other funds	\$ 39,248	\$ -	\$ -	\$ 39,248
Accounts payable	3,725	1,395	-	5,120
Accrued payroll	4,352	-	-	4,352
Accrued liabilities	3,100	-	-	3,100
Total liabilities	<u>50,425</u>	<u>1,395</u>	<u>-</u>	<u>51,820</u>
Fund balances				
Nonspendable	3,132	-	-	3,132
Restricted	555,210	324,878	70,091	950,179
Total fund balances	<u>558,342</u>	<u>324,878</u>	<u>70,091</u>	<u>953,311</u>
Total liabilities and fund balances	<u>\$ 608,767</u>	<u>\$ 326,273</u>	<u>\$ 70,091</u>	<u>\$ 1,005,131</u>

VILLAGE OF DUNDEE, MICHIGAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended February 28, 2022

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Totals
Revenues				
Licenses and permits	\$ 259,437	\$ -	\$ -	\$ 259,437
Federal	241,759	-	-	241,759
Special assessments	-	-	774	774
Interest	247	262	164	673
Other	48,868	83	5	48,956
Total revenues	550,311	345	943	551,599
Expenditures				
Current expenditures:				
Public safety	345,988	-	-	345,988
Culture and recreation	223,389	-	-	223,389
Debt service:				
Principal	-	-	185,000	185,000
Interest and fiscal charges	-	-	52,972	52,972
Total expenditures	569,377	-	237,972	807,349
Revenues over (under) expenditures	(19,066)	345	(237,029)	(255,750)
Other financing sources (uses)				
Transfers in	179,521	-	237,971	417,492
Transfers out	(2,632)	-	(94,232)	(96,864)
Total other financing sources	176,889	-	143,739	320,628
Net change in fund balances	157,823	345	(93,290)	64,878
Fund balances, beginning of year	400,519	324,533	163,381	888,433
Fund balances, end of year	\$ 558,342	\$ 324,878	\$ 70,091	\$ 953,311

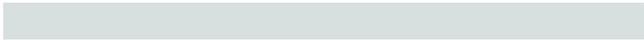
VILLAGE OF DUNDEE, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

February 28, 2022

	Parks and Recreation	Federal Forfeitures	Historical Commission
Assets			
Cash and cash equivalents	\$ 6,216	\$ 82,274	\$ 8,882
Accounts receivable	-	-	-
Prepaid items	-	-	-
Total assets	<u>\$ 6,216</u>	<u>\$ 82,274</u>	<u>\$ 8,882</u>
Liabilities			
Due to other funds	\$ -	\$ 39,248	\$ -
Accounts payable	145	-	3,210
Accrued payroll	1,615	-	550
Accrued liabilities	-	-	-
Total liabilities	<u>1,760</u>	<u>39,248</u>	<u>3,760</u>
Fund balances			
Nonspendable	-	-	-
Restricted	4,456	43,026	5,122
Total fund balances	<u>4,456</u>	<u>43,026</u>	<u>5,122</u>
Total liabilities and fund balances	<u>\$ 6,216</u>	<u>\$ 82,274</u>	<u>\$ 8,882</u>



CARES Act	Building Department	Total
\$ 242,197	\$ 262,680	\$ 602,249
-	3,386	3,386
-	3,132	3,132
<hr/>	<hr/>	<hr/>
\$ 242,197	\$ 269,198	\$ 608,767
<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ 39,248
-	370	3,725
-	2,187	4,352
-	3,100	3,100
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-	5,657	50,425
<hr/>	<hr/>	<hr/>
-	3,132	3,132
242,197	260,409	555,210
<hr/>	<hr/>	<hr/>
242,197	263,541	558,342
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\$ 242,197	\$ 269,198	\$ 608,767
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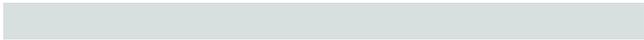
VILLAGE OF DUNDEE, MICHIGAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended February 28, 2022

	Parks and Recreation	Federal Forfeitures	Historical Commission
Revenues			
Licenses and permits	\$ -	\$ -	\$ -
Federal	-	-	-
Interest	-	-	2
Other	16,102	2,246	28,370
Total revenues	<u>16,102</u>	<u>2,246</u>	<u>28,372</u>
Expenditures			
Current expenditures:			
Public safety	-	46,302	-
Culture and recreation	144,981	-	78,408
Total expenditures	<u>144,981</u>	<u>46,302</u>	<u>78,408</u>
Revenues over (under) expenditures	<u>(128,879)</u>	<u>(44,056)</u>	<u>(50,036)</u>
Other financing sources (uses)			
Transfers in	129,000	-	50,521
Transfers out	-	-	-
Total other financing sources (uses)	<u>129,000</u>	<u>-</u>	<u>50,521</u>
Net change in fund balances	121	(44,056)	485
Fund balances, beginning of year	<u>4,335</u>	<u>87,082</u>	<u>4,637</u>
Fund balances, end of year	<u>\$ 4,456</u>	<u>\$ 43,026</u>	<u>\$ 5,122</u>



CARES Act	Building Department	Total
\$ -	\$ 259,437	\$ 259,437
241,759	-	241,759
-	245	247
-	2,150	48,868
<u>241,759</u>	<u>261,832</u>	<u>550,311</u>
-	299,686	345,988
-	-	223,389
-	299,686	569,377
<u>241,759</u>	<u>(37,854)</u>	<u>(19,066)</u>
-	-	179,521
<u>(2,632)</u>	<u>-</u>	<u>(2,632)</u>
<u>(2,632)</u>	<u>-</u>	<u>176,889</u>
239,127	(37,854)	157,823
<u>3,070</u>	<u>301,395</u>	<u>400,519</u>
<u>\$ 242,197</u>	<u>\$ 263,541</u>	<u>\$ 558,342</u>

VILLAGE OF DUNDEE, MICHIGAN

Combining Balance Sheet

Nonmajor Capital Project Funds

February 28, 2022

	Industrial Park	Economic Development	Sewer Separation	Total
Assets				
Cash and cash equivalents	\$ 2,085	\$ 322,792	\$ 1,396	\$ 326,273
Liabilities				
Accounts payable	\$ -	\$ -	\$ 1,395	\$ 1,395
Fund balances				
Restricted	2,085	322,792	1	324,878
Total liabilities and fund balances	\$ 2,085	\$ 322,792	\$ 1,396	\$ 326,273

VILLAGE OF DUNDEE, MICHIGAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Capital Project Funds

For the Year Ended February 28, 2022

	Industrial Park	Economic Development	Sewer Separation	Total
Revenues				
Interest	\$ 2	\$ 259	\$ 1	\$ 262
Other	83	-	-	83
Total revenues/change in fund balances	85	259	1	345
Fund balances, beginning of year	2,000	322,533	-	324,533
Fund balances, end of year	<u>\$ 2,085</u>	<u>\$ 322,792</u>	<u>\$ 1</u>	<u>\$ 324,878</u>

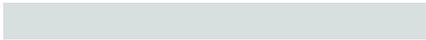
VILLAGE OF DUNDEE, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds

February 28, 2022

	2006 Capital Improvement GO Bonds	2008 Pearl St. Assessment Bonds	2019 Special Assessment Bonds
Assets			
Cash and cash equivalents	\$ 1,917	\$ 68,169	\$ -
Fund balances			
Restricted	\$ 1,917	\$ 68,169	\$ -



Major and Local Streets Bond Debt Retirement	Total
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<u>\$</u> <u>5</u>	<u>\$</u> <u>70,091</u>
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<u>\$</u> <u>5</u>	<u>\$</u> <u>70,091</u>
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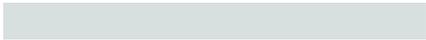
VILLAGE OF DUNDEE, MICHIGAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended February 28, 2022

	2006 Capital Improvement GO Bonds	2008 Pearl St. Assessment Bonds	2019 Special Assessment Bonds
Revenue			
Special assessments	\$ -	\$ 774	\$ -
Interest	1	104	59
Other	-	-	-
Total revenues	<u>1</u>	<u>878</u>	<u>59</u>
Expenditures			
Debt service:			
Principal	75,000	-	-
Interest and fiscal charges	24,480	-	1
Total expenditures	<u>99,480</u>	<u>-</u>	<u>1</u>
Revenues over (under) expenditures	<u>(99,479)</u>	<u>878</u>	<u>58</u>
Other financing sources (uses)			
Transfers in	99,480	-	-
Transfers out	-	-	(94,232)
Total other financing sources (uses)	<u>99,480</u>	<u>-</u>	<u>(94,232)</u>
Net change in fund balances	1	878	(94,174)
Fund balances, beginning of year	<u>1,916</u>	<u>67,291</u>	<u>94,174</u>
Fund balances, end of year	<u>\$ 1,917</u>	<u>\$ 68,169</u>	<u>\$ -</u>



Major and Local Streets Bond Debt Retirement	Total
\$ -	774
-	164
<u>5</u>	<u>5</u>
5	943
110,000	185,000
<u>28,491</u>	<u>52,972</u>
<u>138,491</u>	<u>237,972</u>
<u>(138,486)</u>	<u>(237,029)</u>
138,491	237,971
<u>-</u>	<u>(94,232)</u>
<u>138,491</u>	<u>143,739</u>
5	(93,290)
<u>-</u>	<u>163,381</u>
<u>\$ 5</u>	<u>\$ 70,091</u>

VILLAGE OF DUNDEE, MICHIGAN

Combining Balance Sheet / Statement of Net Position

Downtown Development Authority Component Unit

February 28, 2022

	General Fund	Debt Fund	Adjustments	Statement of Net Position
Assets				
Cash and cash equivalents	\$ 5	\$ 5,707	\$ -	\$ 5,712
Due from other governments	93,418	-	-	93,418
Prepaid items	3,380	-	-	3,380
Capital assets not being depreciated	-	-	282,394	282,394
Capital assets being depreciated, net	-	-	271,840	271,840
Total assets	<u>\$ 96,803</u>	<u>\$ 5,707</u>	<u>554,234</u>	<u>656,744</u>
Liabilities				
Accounts payable	\$ 215	\$ -	-	215
Accrued payroll	2,365	-	-	2,365
Total liabilities	<u>2,580</u>	<u>-</u>	<u>-</u>	<u>2,580</u>
Fund balances				
Nonspendable	3,380	-	(3,380)	-
Unassigned	90,843	5,707	(96,550)	-
Total fund balances	<u>94,223</u>	<u>5,707</u>	<u>(99,930)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 96,803</u>	<u>\$ 5,707</u>		
Net position				
Investment in capital assets			554,234	554,234
Unrestricted			99,930	99,930
Total net position			<u>\$ 654,164</u>	<u>\$ 654,164</u>

VILLAGE OF DUNDEE, MICHIGAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities Downtown Development Authority Component Unit For the Year Ended February 28, 2022

	General Fund	Debt Fund	Adjustments	Statement of Activities
Revenues				
Property taxes	\$ 171,029	\$ -	\$ -	\$ 171,029
State	7,409	-	-	7,409
Interest	51	-	-	51
Other	21,388	-	-	21,388
Total revenues	199,877	-	-	199,877
Expenditures / expenses				
Public works	280,925	-	17,665	298,590
Revenues under expenses	(81,048)	-	(17,665)	(98,713)
Other financing sources (uses)				
Transfers in	-	5,707	-	5,707
Transfers out	(5,707)	-	-	(5,707)
Total other financing sources (uses)	(5,707)	5,707	-	-
Change in fund balance / net position	(86,755)	5,707	(17,665)	(98,713)
Fund balance / net position				
Beginning of year	180,978	-	571,899	752,877
End of year	\$ 94,223	\$ 5,707	\$ 554,234	\$ 654,164

VILLAGE OF DUNDEE, MICHIGAN

Balance Sheet / Statement of Net Position

Local Development Finance Authority Water Plant Component Unit

February 28, 2022

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 168,126	\$ -	\$ 168,126
	<u>168,126</u>	<u>-</u>	<u>168,126</u>
Fund balances			
Unassigned	\$ 168,126	(168,126)	-
	<u>168,126</u>	<u>(168,126)</u>	<u>-</u>
Net position			
Unrestricted		\$ 168,126	\$ 168,126
		<u>168,126</u>	<u>168,126</u>

VILLAGE OF DUNDEE, MICHIGAN

Statement of Revenues, Expenditures,
and Changes in Fund Balance / Statement of Activities
 Local Development Finance Authority Water Plant Component Unit
 For the Year Ended February 28, 2022

	General Fund	Adjustments	Statement of Activities
Revenues			
Interest	\$ 21	\$ -	\$ 21
Change in fund balance / net position	21	-	21
Fund balance / net position			
Beginning of year	168,105	-	168,105
End of year	<u>\$ 168,126</u>	<u>\$ -</u>	<u>\$ 168,126</u>

VILLAGE OF DUNDEE, MICHIGAN

Combining Balance Sheet / Statement of Net Position

Local Development Finance Authority Global Engine Alliance Component Unit

February 28, 2022

	Global Engine Alliance	LDFA #3 Debt	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 3,214,511	\$ 1,067,029	\$ 4,281,540
Due from other governments	-	368,938	368,938
Capital assets being depreciated, net	-	-	-
Total assets	<u><u>\$ 3,214,511</u></u>	<u><u>\$ 1,435,967</u></u>	<u><u>\$ 4,650,478</u></u>
Liabilities			
Accrued interest	\$ -	\$ -	\$ -
Long-term debt:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund balances			
Restricted for debt service	-	1,435,967	1,435,967
Unassigned	3,214,511	-	3,214,511
Total fund balances	<u><u>3,214,511</u></u>	<u><u>1,435,967</u></u>	<u><u>4,650,478</u></u>
Total liabilities and fund balances	<u><u>\$ 3,214,511</u></u>	<u><u>\$ 1,435,967</u></u>	<u><u>\$ 4,650,478</u></u>
Net position			
Net investment in capital assets			
Restricted for debt service			
Unrestricted			
Total net position			



Adjustments	Statement of Net Position
\$ -	\$ 4,281,540
-	368,938
<u>3,859,656</u>	<u>3,859,656</u>
<u>3,859,656</u>	<u>8,510,134</u>
7,229	7,229
273,400	273,400
<u>288,400</u>	<u>288,400</u>
<u>569,029</u>	<u>569,029</u>
(1,435,967)	-
<u>(3,214,511)</u>	<u>-</u>
<u>(4,650,478)</u>	<u>-</u>
3,297,856	3,297,856
1,428,738	1,428,738
<u>3,214,511</u>	<u>3,214,511</u>
<u>\$ 7,941,105</u>	<u>\$ 7,941,105</u>

VILLAGE OF DUNDEE, MICHIGAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities

Local Development Finance Authority Global Engine Alliance Component Unit
For the Year Ended February 28, 2022

	Global Engine Alliance	LDFA #3 Debt	Total Governmental Funds
Revenues			
Property taxes	\$ -	\$ 670,162	\$ 670,162
State	-	816,219	816,219
Interest	2,324	687	3,011
Total revenues	<u>2,324</u>	<u>1,487,068</u>	<u>1,489,392</u>
Expenditures / expenses			
Public works	-	523,382	523,382
Debt service:			
Principal	-	805,000	805,000
Interest	-	38,500	38,500
Total expenditures / expenses	<u>-</u>	<u>1,366,882</u>	<u>1,366,882</u>
Change in fund balance / net position	2,324	120,186	122,510
Fund balance / net position			
Beginning of year	<u>3,212,187</u>	<u>1,315,781</u>	<u>4,527,968</u>
End of year	<u>\$ 3,214,511</u>	<u>\$ 1,435,967</u>	<u>\$ 4,650,478</u>



Adjustments	Statement of Activities
\$ -	\$ 670,162
-	816,219
-	3,011
<hr/>	<hr/>
-	1,489,392
<hr/>	<hr/>
155,742	679,124
(805,000)	-
(9,558)	28,942
<hr/>	<hr/>
(658,816)	708,066
<hr/>	<hr/>
658,816	781,326
<hr/>	<hr/>
2,631,811	7,159,779
<hr/>	<hr/>
\$ 3,290,627	\$ 7,941,105
<hr/>	<hr/>

VILLAGE OF DUNDEE, MICHIGAN

Balance Sheet / Statement of Net Position

Economic Development Corporation Component Unit

February 28, 2022

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 81,028	\$ -	\$ 81,028
Capital assets not being depreciated	-	3,300,000	3,300,000
Capital assets being depreciated, net	-	3,506,755	3,506,755
Total assets	<u>\$ 81,028</u>	<u>6,806,755</u>	<u>6,887,783</u>
Fund balances			
Unassigned	<u>\$ 81,028</u>	<u>(81,028)</u>	<u>-</u>
Net position			
Investment in capital assets		6,806,755	6,806,755
Unrestricted		<u>81,028</u>	<u>81,028</u>
Total net position		<u>\$ 6,887,783</u>	<u>\$ 6,887,783</u>

VILLAGE OF DUNDEE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities Economic Development Corporation Component Unit For the Year Ended February 28, 2022

	General Fund	Adjustments	Statement of Activities
Revenues			
Interest	\$ 65	\$ -	\$ 65
Expenditures / expenses			
Public works	-	277,650	277,650
Change in fund balance / net position	65	(277,650)	(277,585)
Fund balance / net position			
Beginning of year	80,963	7,084,405	7,165,368
End of year	<u>\$ 81,028</u>	<u>\$ 6,806,755</u>	<u>\$ 6,887,783</u>

VILLAGE OF DUNDEE, MICHIGAN

Balance Sheet / Statement of Net Position

Brownfield Redevelopment Authority Component Unit

February 28, 2022

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 891,720	\$ -	\$ 891,720
Liabilities			
Accounts payable	\$ 3,938	-	3,938
Fund balances			
Unassigned	887,782	(887,782)	-
Total liabilities and fund balances	<u>\$ 891,720</u>		
Net position			
Unrestricted		<u>\$ 887,782</u>	<u>\$ 887,782</u>

VILLAGE OF DUNDEE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities Brownfield Redevelopment Authority Component Unit For the Year Ended February 28, 2022

	General Fund	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 1,666	\$ -	\$ 1,666
State	774	-	774
Interest	691	-	691
	<hr/>	<hr/>	<hr/>
Total revenues	3,131	-	3,131
Expenditures / expenses			
Public works	8,588	-	8,588
	<hr/>	<hr/>	<hr/>
Change in fund balance / net position	(5,457)	-	(5,457)
Fund balance / net position			
Beginning of year	893,239	-	893,239
	<hr/>	<hr/>	<hr/>
End of year	\$ 887,782	\$ -	\$ 887,782
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

September 8, 2022

President and Village Council
Village of Dundee, Michigan

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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***Village of Dundee, Michigan*** (the "Village"), as of and for the year ended February 28, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated September 8, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a significant deficiency.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 financial statements. 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*.

Village of Dundee's Response to Finding

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Village'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.

A handwritten signature in black ink that reads "Rehmann Lobson LLC". The signature is written in a cursive, flowing style.

VILLAGE OF DUNDEE, MICHIGAN

Schedule of Findings and Responses

For the Year Ended February 28, 2022

2022-001 – Significant Audit Adjustments (repeat finding)

Finding Type. Significant Deficiency in Internal Control over Financial Reporting.

Criteria. Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

Condition. During our audit, we identified and proposed some significant adjustments (which were approved and posted by management) to adjust the Village's general ledger to the appropriate balances. These adjustment included entries to adjust the following:

- Capital assets in the sewer fund were initially understated by approximately \$180,000;
- Expenses within the water fund were understated by approximately \$33,500 and likewise LDFA Water Plant component unit fund was overstated by approximately \$33,500;
- Custodial fund revenues were understated by approximately \$51,000.

Cause. This condition was the result of dependence on external auditors, who by definition cannot be a part of the Village's internal control, to make adjustments to the general ledger and reconcile certain accounts to their underlying detail.

Effect. As a result of this condition, the Village's accounting records were initially misstated by amounts significant to the financial statements.

Recommendation. The Village should reconcile all general ledger accounts to subsidiary detail routinely in order to have a more accurate financial picture.

View of Responsible Officials. Management concurs with this finding.

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