

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name VILLAGE OF DUNDEE	County MONROE
Fiscal Year End 02-28-2007	Opinion Date JULY 19, 2007	Date Audit Report Submitted to State AUGUST 28, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

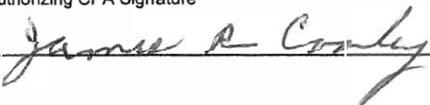
YES **NO**

Check each applicable box below. (See instructions for further detail.)

1. All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. The local unit has adopted a budget for all required funds.
5. A public hearing on the budget was held in accordance with State statute.
6. The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. The local unit only holds deposits/investments that comply with statutory requirements.
9. The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. The local unit is free of repeated comments from previous years.
12. The audit opinion is UNQUALIFIED.
13. The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. The board or council approves all invoices prior to payment as required by charter or statute.
15. To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)
Financial Statements	<input checked="" type="checkbox"/>	
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>	
Other (Describe)	<input type="checkbox"/>	
Certified Public Accountant (Firm Name) COOLEY HEHL WOHLGAMUTH & CARLTON CPA'S PLLC	Telephone Number (734) 241-7200	
Street Address ONE SOUTH MONROE STREET	City MONROE	State MI
		Zip 48161
Authorizing CPA Signature 	Printed Name JAMES R. COOLEY	License Number 1101005761

VILLAGE OF DUNDEE
Monroe County, Michigan

ANNUAL FINANCIAL REPORT

February 28, 2007

VILLAGE OF DUNDEE

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Independent Auditor's Report

President and Village Council
Village of Dundee
Dundee, Michigan 48131

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Dundee, Monroe County, Michigan, as of and for the year ended February 28, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Dundee as of February 28, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Dundee, Monroe County, Michigan basic financial statements. The combining and individual nonmajor fund financial statements, as identified in the table of contents is presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual non major fund financial statement has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Cooley Hehl
Wohlgamuth & Carlton*

July 19, 2007

VILLAGE OF DUNDEE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended February 28, 2007

As management of the Village of Dundee, Monroe County, Michigan, we offer readers of the Village's financial statements this narrative overview and analysis of the governmental and business-type activities of the Village for the fiscal year ended February 28, 2007. This information should be taken into consideration before reading the Village's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consist of the financial statements and other supplementary information that presents all the Village's revenues and expenditures by program for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds, and Component Units.

The Government Accounting Standards Board (GASB) adopted this report in *Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued June, 2000.

Financial Highlights

The assets of the Village exceeded its liabilities at the close of the most recent year by \$22,903,524 (net assets). Of this amount, \$3,923,055 (unrestricted net assets) may be used to meet the government's ongoing obligations to its' citizens and creditors.

The government's total net assets increased by \$839,520.

At the close of the year, the Village's governmental funds reported combined ending fund balances of \$5,517,830, an increase of \$583,115 in comparison with the prior year. Approximately 66.3 percent of this amount, or \$3,663,126, is available for spending at the government's discretion (unreserved fund balance).

At the end of the year, the unreserved fund balance for the general fund was \$2,169,750 or 160.2 percent of total general fund expenditures.

The Village's total bonded debt increased by \$796,283 during the year; \$2,130,000 of total debt was issued for the remaining costs to complete the new Village Hall and Riverwalk Improvements, and to acquire a new street sweeper.

Overview of the Financial Statements

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

VILLAGE OF DUNDEE

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended February 28, 2007

Government-Wide Financial Statements

The Government-Wide Financial Statements (on pages 10 - 13), which appear first in the Villages's financial statements, report information on the Village as a whole and its activities. These statements include all its' assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

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

The government wide financial statements include not only the Village itself (known as the primary government), but also of legally separate authorities - the Downtown Development Authority, Local Development Finance Authorities #1 and #3, the Economic Development Corporation, and the Brown Field Development Authority - for which the Village is financially accountable. The individual component units are combined and presented separately from the primary government itself on pages 26 - 29.

Fund Financial Statements

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

VILLAGE OF DUNDEE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended February 28, 2007

Fund Financial Statements - Concluded

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are provided for the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances, on pages 16 and 19 respectively, to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, major street, local street, municipal highway, building department, parks and recreation, and capital funds. All of these governmental funds are considered to be and presented as major funds. All other remaining funds are reported as other governmental funds. Combining statements of non-major governmental are presented as other supplementary information.

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

The basic governmental fund financial statements can be found on pages 14, 15, 17, and 18 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 20 through 24 of this report.

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

The only basic fund financial statement for Fiduciary funds required to be reported can be found on page 25 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 30 through 63 of this report.

VILLAGE OF DUNDEE

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended February 28, 2007

Government-Wide Financial Analysis

Recall that the Statement of Net Assets provides a long-term perspective of the Village's financial position. As indicated earlier and on Table 1 of the following page assets exceeded liabilities by \$22,903,524 at the close of the most recent year.

By far the largest portion of the Village's net assets (64.3 percent) reflects its investment in capital assets (land, buildings, systems, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

As also depicted in Table 1, the Village's unrestricted net assets totaled \$3,923,055. This amount represents the accumulated results of all past years operations. The unrestricted net asset balance is used for working capital and cash flow needs as well as to provide for future uncertainties. It means that if we had to pay all of our bills off today, including all of our noncapital liabilities we could with our current resources. The operating results of the general fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the Village as a whole are reported in the Statement of Activities (Table 2), which shows the changes in net assets for the fiscal year ended February 28, 2007.

VILLAGE OF DUNDEE

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended February 28, 2007

Table 1:

Condensed Statement of Net Assets February 28, 2007 and 2006

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current assets	\$6,384,687	\$6,441,069	\$1,399,679	\$1,687,058	\$7,784,366	\$8,128,127
Restricted assets	0	0	1,502,678	1,228,950	1,502,678	1,228,950
Capital and other noncurrent assets, net	11,017,271	9,304,465	24,339,616	24,801,093	35,356,887	34,105,558
Total Assets	17,401,958	15,745,534	27,241,973	27,717,101	44,643,931	43,462,635
Current and other liabilities	1,743,529	2,053,666	948,326	1,171,934	2,691,855	3,225,600
Long-term liabilities	9,323,641	7,757,229	9,724,911	10,415,802	19,048,552	18,173,031
Total Liabilities	11,067,170	9,810,895	10,673,237	11,587,736	21,740,407	21,398,631
Net Assets						
Invested in capital assets, net of related debt	820,006	995,961	13,919,705	13,710,291	14,739,711	14,706,252
Restricted for:						
Prepaid items	5,539	5,504	0	0	5,539	5,504
Fixed asset replacement	0	0	1,000	1,000	1,000	1,000
Streets and highways	1,341,788	1,020,534	0	0	1,341,788	1,020,534
Parks and recreation	1,480	1,728	0	0	1,480	1,728
Historical commission	29	2,925	0	0	29	2,925
Building department	30,767	70,107	0	0	30,767	70,107
Capital improvement	1,609,542	1,358,525	0	0	1,609,542	1,358,525
Debt service	358,935	367,013	891,678	637,950	1,250,613	1,004,963
Unrestricted	2,166,702	2,112,342	1,756,353	1,780,124	3,923,055	3,892,466
Total Net Assets	\$6,334,788	\$5,934,639	\$16,568,736	\$16,129,365	\$22,903,524	\$22,064,004

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

The government's net assets increased by \$839,520 during the calendar year ended. This increase is primarily attributable to a grant received from the State of Michigan related to the Global Engine Alliance/Local Development Finance Authority Project.

As indicated in Table 2, the cost of all governmental activities this year was \$2.811 million. Of this amount \$.398 million was subsidized with revenue generated from charges for services with the remaining costs financed with grants and general revenues. The cost of business-type activities was \$2.43 million.

The Village experienced an increase in net assets of governmental activities of \$400,149. However, a significant amount will have to be paid for installment loans. This factor will have a significant negative impact on the increase in net assets for governmental activities. The Village experienced an increase of business-type assets of \$439,371.

VILLAGE OF DUNDEE

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended February 28, 2007

Table 2:

Changes in Net Assets
Fiscal Years Ended February 28, 2007 and 2006

	Governmental		Business-Type		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program revenues						
Charges for services	\$398,261	\$470,105	\$1,680,074	\$1,680,985	\$2,078,335	\$2,151,090
Grants and contributions	539,890	2,857,386	0	2,305,987	539,890	5,163,373
	938,151	3,327,491	1,680,074	3,986,972	2,618,225	7,314,463
General revenues						
Property taxes	1,607,297	1,407,728	200,535	154,157	1,807,832	1,561,885
State grants (revenue sharing)	289,373	292,912	0	0	289,373	292,912
Other	337,812	397,689	290,051	550,059	627,863	947,748
	2,234,482	2,098,329	490,586	704,216	2,725,068	2,802,545
Total Revenues	3,172,633	5,425,820	2,170,660	4,691,188	5,343,293	10,117,008
Functions/Program Expenses						
Legislative	22,031	20,246	0	0	22,031	20,246
General government	467,374	307,443	0	0	467,374	307,443
Public safety	719,322	735,990	0	0	719,322	735,990
Public works	554,703	540,378	0	0	554,703	540,378
Culture and recreation	70,171	215,137	0	0	70,171	215,137
Capital improvements	50,154	2,148,805	0	0	50,154	2,148,805
Economic development	406,468	0	0	0	406,468	0
Insurance	21,181	22,954	0	0	21,181	22,954
Interest on long-term debt	499,627	295,054	0	0	499,627	295,054
Water department	0	0	1,200,740	1,332,396	1,200,740	1,332,396
Sewer department	0	0	1,229,792	1,156,290	1,229,792	1,156,290
Total Expenses	2,811,031	4,286,007	2,430,532	2,488,686	5,241,563	6,774,693
Increase in Net Assets						
Before Transfers	361,602	1,139,813	(259,872)	2,202,502	101,730	3,342,315
Transfers	38,547	(1,088,080)	699,243	1,276,747	737,790	188,667
Increase in Net Assets	\$400,149	\$51,733	\$439,371	\$3,479,249	\$839,520	\$3,530,982

Fund Financial Analysis

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

VILLAGE OF DUNDEE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended February 28, 2007

Fund Financial Analysis - Concluded

As the Village completed the latest fiscal year, governmental funds reported a combined balance of \$5,517,830 , which is an increase of \$583,115 from last year. The changes by fund are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Retirement Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Fund balances - Beginning of year	\$2,113,883	\$1,095,294	\$367,013	\$1,358,525	\$4,934,715
Increase (decrease)	<u>61,406</u>	<u>278,770</u>	<u>(8,078)</u>	<u>251,017</u>	<u>583,115</u>
Fund balances End of year	<u>\$2,175,289</u>	<u>\$1,374,064</u>	<u>\$358,935</u>	<u>\$1,609,542</u>	<u>\$5,517,830</u>

The Village's General Fund Balance increase is comparable to the prior year due to many factors. The tables that follow assist in illustrating the financial activities of the General Fund.

	<u>February 28, 2007</u>	<u>February 28, 2006</u>	<u>Percent Change</u>
Revenues			
Property taxes	\$1,123,282	\$ 972,697	15.48%
Licenses and permits	51,757	51,812	-
State revenue sharing	289,373	292,912	(1.20)
Interest and rentals	192,878	161,933	19.11
Other	<u>61,278</u>	<u>60,386</u>	1.48
Total Revenues	<u>\$1,718,568</u>	<u>\$1,539,740</u>	11.61%

	<u>February 28, 2007</u>	<u>February 28, 2006</u>	<u>Percent Change</u>
Expenditures			
Legislative	\$ 22,031	\$ 20,246	8.82%
General government	338,442	250,129	35.31
Public safety	487,029	427,026	14.05
Public works	373,860	228,419	63.67
Culture and recreation	112,235	117,592	(4.56)
Insurance	<u>21,181</u>	<u>22,954</u>	(7.72)
Total Expenditures	<u>\$1,354,778</u>	<u>\$1,066,366</u>	27.05%

VILLAGE OF DUNDEE

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended February 28, 2007

General Fund Budgetary Highlights

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

Long-term Contract, Capital Assets and Debt Administration

As of February 28, 2007, the Village had \$11.3 million invested in a long term contract with Global Engine and \$35.36 million invested in a broad range of capital assets, including land, building and improvements, machinery and equipment, vehicles, as well as water and sewer systems. The Village completed its sewer plant expansion with a final cost of \$7.839 million. Other additions which totaled \$1.972 million included \$1,429,027 to complete the new Village Hall, \$130,000 for new vehicle equipment, and \$205,303 for new DPW buildings. \$2,130,000 of new debt was issued for these additions. Depreciation this year totaled \$260,011 for governmental activities and \$647,434 for business-type activities. Details regarding capital assets is included in Note 9 to the financial statements.

Debt

At February 28, 2007, the Village's debt consisted mainly of contracts and general obligation for water and sewage disposal system construction. Total debt outstanding including compensated absences was \$38,478,177 as of February 28, 2007. The repayment of debt will be financed partially by tax increment financing and special assessments administered through the Village's Tax Collection Agency Fund which collects special assessments for the Village's Enterprise Fund. A detail summary of changes in long-term debt is located in Note 11 to the financial statements.

Development of the 2007-2008 Fiscal Year Budget

Our elected officials considered many factors when setting the Village's 2007-2008 fiscal year budget. Based primarily on the last fiscal year's spending patterns, thought is also given to factors affecting the budget, like decreased revenue as a result of reduced millage rates. The Village has taken several measures to help control the rising costs of governmental services. We will continue to watch our budget closely as we continue to upgrade our development programs and roads using money received from property taxes.

Economic Factors

During the 2006 - 2007 fiscal year, the Village started new bank accounts designated for debt service money received to retire debt on 2005 general obligations issued for construction on the new Village hall. As the Village continues to undergo new development, it will collect water and sewer connection fees to be applied against its outstanding debt in the water and sewer fund. The Village continues to employ an engineer to oversee all of the new development currently in progress within the Village.

Contacting the Village of Dundee

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

VILLAGE OF DUNDEE

STATEMENT OF NET ASSETS

February 28, 2007

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets				
Cash and money management accounts	\$5,420,519	\$1,079,377	\$6,499,896	\$2,499,401
Receivables:				
Delinquent taxes	172,762	14,439	187,201	0
Accounts	21,281	328,582	349,863	0
Special assessments	634,037	0	634,037	0
Internal balances	36,668	(36,668)	0	0
Due from other governmental units	86,032	1,781	87,813	906,894
Accrued interest receivable	7,849	0	7,849	2,367
Prepaid expenses	5,539	12,168	17,707	0
Total current assets	<u>6,384,687</u>	<u>1,399,679</u>	<u>7,784,366</u>	<u>3,408,662</u>
Restricted assets				
Cash and money management accounts	0	1,215,755	1,215,755	292,979
Cash with fiscal agent	0	185,092	185,092	0
Bond issuance costs (net of amortization)	0	101,831	101,831	122,900
Total restricted assets	<u>0</u>	<u>1,502,678</u>	<u>1,502,678</u>	<u>415,879</u>
Noncurrent assets				
Capital assets:				
Nondepreciated	3,598,593	2,685,652	6,284,245	6,153,072
Depreciated, net	7,418,678	21,653,964	29,072,642	10,950,731
Total capital assets	<u>11,017,271</u>	<u>24,339,616</u>	<u>35,356,887</u>	<u>17,103,803</u>
Total assets	<u>\$17,401,958</u>	<u>\$27,241,973</u>	<u>\$44,643,931</u>	<u>\$20,928,344</u>
LIABILITIES				
Current liabilities				
Accounts payable	234,787	30,817	265,604	43,546
Accrued wages	16,374	13,326	29,700	0
Accrued interest	341,585	155,944	497,529	0
Other liabilities	1,000	25,956	26,956	0
Accrued compensated absences	60,149	27,283	87,432	0
Deferred revenue	557,595	0	557,595	0
Current portion of long term debt net of related discount	532,039	695,000	1,227,039	125,000
Total noncurrent liabilities	<u>1,743,529</u>	<u>948,326</u>	<u>2,691,855</u>	<u>168,546</u>
Noncurrent liabilities				
Bonds payable (net of related discount)	<u>9,323,641</u>	<u>9,724,911</u>	<u>19,048,552</u>	<u>17,892,865</u>
Total liabilities	<u>11,067,170</u>	<u>10,673,237</u>	<u>21,740,407</u>	<u>18,061,411</u>

See accompanying notes to the basic financial statements

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
NET ASSETS				
Invested in capital assets net of related debt	820,006	13,919,705	14,739,711	(941,262)
Restricted for:				
Prepaid items	5,539	0	5,539	0
Fixed asset replacement	0	1,000	1,000	0
Streets and highways	1,341,788	0	1,341,788	0
Parks and recreation	1,480	0	1,480	0
Historical commission	29	0	29	0
Building department	30,767	0	30,767	0
Capital improvements	1,609,542	0	1,609,542	0
Debt service	358,935	891,678	1,250,613	842,089
Unrestricted	2,166,702	1,756,353	3,923,055	2,966,106
 Total net assets	<u>\$6,334,788</u>	<u>\$16,568,736</u>	<u>\$22,903,524</u>	<u>\$2,866,933</u>

VILLAGE OF DUNDEE

STATEMENT OF ACTIVITIES

Year Ended February 28, 2007

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
Legislative	\$22,031	\$0	\$0	\$0
General government	467,374	231,843	0	0
Public safety	719,322	6,807	0	0
Public works	554,703	7,333	233,744	0
Culture and recreation	70,171	0	0	0
Capital improvements (contributions)	50,154	0	0	0
Economic development	406,468	0	0	306,146
Insurance	21,181	0	0	0
Interest on long-term debt	499,627	152,278	0	0
Total governmental activities	<u>2,811,031</u>	<u>398,261</u>	<u>233,744</u>	<u>306,146</u>
Business-type activities				
Water Department	1,200,740	889,942	0	0
Sewer Department	1,229,792	790,132	0	0
Total business-type activities	<u>2,430,532</u>	<u>1,680,074</u>	<u>0</u>	<u>0</u>
Total primary government	<u>\$5,241,563</u>	<u>\$2,078,335</u>	<u>\$233,744</u>	<u>\$306,146</u>
Component units				
Downtown Development Authority	\$101,572	\$0	\$0	\$0
LDFA - Water Plant	600	0	0	0
LDFA - Global Engine	311,822	0	0	0
Economic Development - Cabelas	601,650	0	0	0
Brownfield Redevelopment	43,853	0	0	0
Total Component Units	<u>\$1,059,497</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

General revenues

Taxes

Property taxes

State revenue sharing

Tap Fees

Interest and rentals

Other

Transfers

Total general revenues and transfers

Change in net assets

Net assets - Beginning of year (as restated at Note 20)

Net assets - End of year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
(\$22,031)	\$0	(\$22,031)	
(235,531)	0	(235,531)	
(712,515)	0	(712,515)	
(313,626)	0	(313,626)	
(70,171)	0	(70,171)	
(50,154)	0	(50,154)	
(100,322)	0	(100,322)	
(21,181)	0	(21,181)	
(347,349)	0	(347,349)	
<u>(1,872,880)</u>	<u>0</u>	<u>(1,872,880)</u>	
0	(310,798)	(310,798)	
<u>0</u>	<u>(439,660)</u>	<u>(439,660)</u>	
<u>0</u>	<u>(750,458)</u>	<u>(750,458)</u>	
<u>(1,872,880)</u>	<u>(750,458)</u>	<u>(2,623,338)</u>	
			(\$101,572)
			(600)
			(311,822)
			(601,650)
			<u>(43,853)</u>
			<u>(1,059,497)</u>
1,607,297	200,535	1,807,832	1,847,369
289,373	0	289,373	0
0	222,943	222,943	0
269,757	67,108	336,865	67,951
68,055	0	68,055	1,427
38,547	699,243	737,790	(737,790)
<u>2,273,029</u>	<u>1,189,829</u>	<u>3,462,858</u>	<u>1,178,957</u>
400,149	439,371	839,520	119,460
<u>5,934,639</u>	<u>16,129,365</u>	<u>22,064,004</u>	<u>2,747,473</u>
<u>\$6,334,788</u>	<u>\$16,568,736</u>	<u>\$22,903,524</u>	<u>\$2,866,933</u>

VILLAGE OF DUNDEE

**BALANCE SHEET
GOVERNMENTAL FUNDS**

February 28, 2007

	General Fund	Major Street Fund	Local Street Fund	Industrial Park/ Equipment Purchase Fund
Assets				
Cash and money management accounts	\$2,065,350	\$237,058	\$107,543	\$1,491,322
Receivables:				
Delinquent taxes	103,997	0	0	0
Accounts	21,281	0	0	0
Special assessments	0	0	0	0
Due from other funds	100,413	0	0	0
Due from other governmental units	46,516	0	0	19,327
Accrued interest receivable	4,951	495	0	918
Prepaid expenses	5,539	0	0	0
	<u>\$2,348,047</u>	<u>\$237,553</u>	<u>\$107,543</u>	<u>\$1,511,567</u>
 Liabilities				
Accounts payable/retainage	\$134,248	\$1,852	\$1,506	\$85,238
Accrued wages	11,310	1,659	1,064	0
Due to other funds	0	21,774	12,772	0
Other liabilities	1,000	0	0	0
Deferred revenues	26,200	0	0	0
	<u>172,758</u>	<u>25,285</u>	<u>15,342</u>	<u>85,238</u>
 Fund Balance				
Reserved for capital improvements	0	0	0	1,337,017
Reserved for prepaid items	5,539	0	0	0
Reserved for debt service	0	0	0	0
Unreserved:				
Undesignated, reported in:				
General fund	2,169,750	0	0	0
Special revenue funds	0	212,268	92,201	0
Capital improvement funds	0	0	0	89,312
	<u>2,175,289</u>	<u>212,268</u>	<u>92,201</u>	<u>1,426,329</u>
Total Fund Balances	<u>2,175,289</u>	<u>212,268</u>	<u>92,201</u>	<u>1,426,329</u>
Total Liabilities and Fund Balances	<u>\$2,348,047</u>	<u>\$237,553</u>	<u>\$107,543</u>	<u>\$1,511,567</u>

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$1,462,145	\$5,363,418
68,765	172,762
0	21,281
634,037	634,037
5,990	106,403
0	65,843
1,485	7,849
0	5,539
<u>\$2,172,422</u>	<u>\$6,377,132</u>
\$11,943	\$234,787
2,341	16,374
15,000	49,546
0	1,000
<u>531,395</u>	<u>557,595</u>
560,679	859,302
183,213	1,520,230
0	5,539
358,935	358,935
0	2,169,750
1,069,595	1,374,064
0	89,312
<u>1,611,743</u>	<u>5,517,830</u>
<u>\$2,172,422</u>	<u>\$6,377,132</u>

VILLAGE OF DUNDEE

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

Year Ended February 28, 2007

Total Governmental Fund Balance		\$5,517,830
Amounts reported for governmental activities in the statement of net assets are different because:		
Internal service funds are used by the Village of Dundee to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with the governmental activities in the statement of net assets.		
Total internal service fund net assets		57,101
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental noncurrent assets	\$12,680,418	
Less accumulated depreciation	<u>(1,663,147)</u>	
		11,017,271
Long-term liabilities including accrued compensated absences and long-term general obligations are not due and payable in the current year and therefore are not reported in the governmental funds.		(9,915,829)
Interest amounts on long term liabilities are not payable until due in the funds		<u>(341,585)</u>
Total Net Assets of Governmental Activities		<u>\$6,334,788</u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

Year Ended February 28, 2007

	General Fund	Major Street Fund	Local Street Fund	Industrial Park/ Equipment Purchase Fund
Revenues:				
Taxes	\$1,123,282	\$0	\$0	\$0
Special assessments	0	0	0	0
Licenses and permits	51,757	0	0	0
Federal grants	0	0	0	306,146
State grants	289,373	171,058	62,686	0
Fines and forfeits	6,807	0	0	0
Interest and rentals	192,878	9,513	2,792	34,612
Program income	0	0	0	0
Other revenues	54,471	0	1,300	50
	Total Revenues	180,571	66,778	340,808
Expenditures:				
Legislative	22,031	0	0	0
General government	338,442	0	0	0
Public safety	487,029	0	0	0
Public works	373,860	191,418	93,379	0
Culture and recreation	0	0	0	0
Capital outlay	0	0	0	1,850,502
Economic development	112,235	0	0	306,164
Insurance	21,181	0	0	0
Debt service	0	0	0	0
	Total Expenditures	191,418	93,379	2,156,666
Excess (Deficiency) of Revenues over Expenditures	363,790	(10,847)	(26,601)	(1,815,858)
Other Financing Sources (Uses):				
Bond / loan proceeds	130,000	0	0	2,000,000
Operating transfers in	17,000	70,000	50,000	44,769
Operating transfers (out)	(449,384)	(29,200)	0	0
	Total Other Financing Sources (Uses)	40,800	50,000	2,044,769
Net Change in Fund Balances	61,406	29,953	23,399	228,911
Fund Balances - Beginning of Year	2,113,883	182,315	68,802	1,197,418
Fund Balances - End of Year	\$2,175,289	\$212,268	\$92,201	\$1,426,329

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$484,015	\$1,607,297
152,278	152,278
180,086	231,843
0	306,146
0	523,117
0	6,807
91,949	331,744
7,333	7,333
12,234	68,055
927,895	3,234,620
0	22,031
0	338,442
226,400	713,429
2,216	660,873
52,269	52,269
2,060	1,852,562
0	418,399
0	21,181
740,866	740,866
1,023,811	4,820,052
(95,916)	(1,585,432)
0	2,130,000
577,991	759,760
(242,629)	(721,213)
335,362	2,168,547
239,446	583,115
1,372,297	4,934,715
<u>\$1,611,743</u>	<u>\$5,517,830</u>

VILLAGE OF DUNDEE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS

Year Ended February 28, 2007

Net Change in Fund Balances of Governmental Funds		\$583,115
Amounts reported for governmental activities in the statement of net assets are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives or shown as a capital contribution to the water and sewage disposal departments:		
Expenditures for capital assets	\$1,972,817	
Less current year depreciation	<u>(260,011)</u>	
		1,712,806
Accrued interest payable is recorded when due in the governmental activities in the statement of activities.		(292,478)
Compensated absences not payable from current year resources are not reported as expenditures of the current year. In the statement of activities, these costs represent expenses of the current year.		(9,659)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment of bonds reduces long-term liabilities in the statement of net assets.		533,717
Bond proceeds are not reported as other financing sources on the statement of activities		(2,130,000)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds is reported with the governmental activities.		<u>2,648</u>
		<u>\$400,149</u>
Change in Net Assets of Governmental Activities		

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

February 28, 2007

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Funds
Assets		
Current Assets:		
Cash and money management accounts	\$1,079,377	\$57,101
Receivables - accounts	328,582	0
- taxes	14,439	0
Due from other funds	1,781	0
Prepaid expenses	12,168	0
Total Current Assets	<u>1,436,347</u>	<u>57,101</u>
Restricted assets:		
Cash and money management accounts	1,215,755	0
Cash with fiscal agent	185,092	0
Bond issuance costs (net of amortization)	101,831	0
Total Restricted Assets	<u>1,502,678</u>	<u>0</u>
Noncurrent assets		
Land and buildings	16,939,921	0
Machinery and equipment	11,335,582	0
Construction in progress	2,631,836	0
	<u>30,907,339</u>	<u>0</u>
Less: accumulated depreciation	(6,567,723)	0
Net Capital Assets	<u>24,339,616</u>	<u>0</u>
Total Assets	<u><u>\$27,278,641</u></u>	<u><u>\$57,101</u></u>

See accompanying notes to the basic financial statements

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Funds
Liabilities		
Current Liabilities (payable from current assets):		
Accounts payable	\$30,817	\$0
Accrued payroll	13,326	0
Due to other funds	36,668	0
Other liabilities	25,956	0
Accrued interest	155,944	0
Accrued compensated absences	27,283	0
Current portion state revolving fund-sewer	85,000	0
Total Current Liabilities (payable from current assets)	<u>374,994</u>	<u>0</u>
Current Liabilities (payable from restricted assets):		
Current portion of contract payable - sewer	195,000	0
Current portion of contract payable - sewer	180,000	0
Current portion of bonds payable - water/sewer	15,000	0
Current portion of bonds payable - water/sewer	15,000	0
Current portion of contract payable - water	125,000	0
Current portion of bonds payable - water/sewer	15,000	0
Current portion of contract payable - water	65,000	0
Total Current Liabilities (payable from restricted assets)	<u>610,000</u>	<u>0</u>
Long-Term Liabilities (payable from current assets):		
State revolving fund loan - sewer	655,000	0
Total Long-term Liabilities (payable from current assets)	<u>655,000</u>	<u>0</u>
Long-Term Liabilities (payable from restricted assets):		
Contract payable - sewer (net of \$45,625 discount)	4,576,875	0
Contract payable - sewer (net of \$1,545 discount)	393,841	0
Bonds payable - water/sewer	100,000	0
Contract payable - water (with \$1,463 premium)	576,170	0
Bonds payable - water/sewer (net of \$374 discount)	29,742	0
Bonds payable - sewer	260,000	0
Contract payable - water(net of \$28,117 discount)	3,133,283	0
Total Long-term Liabilities (payable from restricted assets)	<u>9,069,911</u>	<u>0</u>
Total Liabilities	<u>10,709,905</u>	<u>0</u>
Net Assets		
Invested in Capital Assets Net of Related Debt	13,919,705	0
Restricted for: Replacement fund	1,000	0
Debt retirement and construction	891,678	0
Unrestricted	<u>1,756,353</u>	<u>57,101</u>
Total Net Assets	<u>16,568,736</u>	<u>57,101</u>
Total Liabilities and Net Assets	<u>\$27,278,641</u>	<u>\$57,101</u>

VILLAGE OF DUNDEE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS

Year Ended February 28, 2007

	Business-type Activities			Governmental Activities Internal Service Funds
	Enterprise Fund			
	Water Department	Sewer Department	Totals	
Operating Revenues:				
Charges for services	\$878,157	\$776,053	\$1,654,210	\$0
Hydrant rental	5,469	0	5,469	0
Penalties	6,316	9,641	15,957	0
Other revenue	0	4,438	4,438	0
Total Operating Revenues	889,942	790,132	1,680,074	0
Operating Expenses:				
Operating and maintenance wages	138,851	179,967	318,818	0
Clerical salaries	28,970	28,970	57,940	0
Employee benefits	50,825	75,972	126,797	0
Training	3,130	1,312	4,442	0
Utilities and telephone	21,699	139,774	161,473	0
Water supply and system maintenance	413,795	45,122	458,917	0
Chemicals	0	18,289	18,289	0
Laboratory supplies	3,802	15,759	19,561	0
Insurance	24,441	24,004	48,445	0
Office supplies	3,382	3,707	7,089	0
Professional services	3,250	3,250	6,500	0
Depreciation and amortization	319,715	343,937	663,652	0
Miscellaneous expense	5,274	5,459	10,733	0
Engineering fees	352	12,986	13,338	0
Vacation and sick pay	1,020	(110)	910	0
Sanitation	572	38,116	38,688	0
Total Operating Expenses	1,019,078	936,514	1,955,592	0
Net Operating Income (loss)	(129,136)	(146,382)	(275,518)	0
Non-Operating Revenues (Expenses):				
Tap fees	126,784	96,159	222,943	0
Current taxes	0	200,535	200,535	0
Interest income	0	67,108	67,108	2,648
Interest and fiscal charges	(181,662)	(293,278)	(474,940)	0
Total Non-Operating Revenues (Expenses)	(54,878)	70,524	15,646	2,648
Income (loss) before transfers	(184,014)	(75,858)	(259,872)	2,648
Transfers from other funds	0	699,243	699,243	0
Change in net assets	(\$184,014)	\$623,385	439,371	2,648
Total Net Assets - Beginning of Year			16,129,365	54,453
Total Net Assets - End of Year			\$16,568,736	\$57,101

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended February 28, 2007

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Funds
Cash Flows From Operating Activities		
Cash received from customers	\$1,655,669	\$0
Cash paid to suppliers	(1,049,937)	0
Cash paid to employees	(504,015)	0
Net cash provided by operating activities	101,717	0
Cash Flows From Noncapital Financing Activities		
Transfer from other funds	699,243	0
Net Cash Provided (Used) for Noncapital Financing Activities	699,243	0
Cash Flows From Capital and Related Financing Activities		
Tap fees	222,943	0
Current taxes levied for debt	200,535	0
Acquisition and construction of capital assets - net of disposals	(185,956)	0
Principal paid on refunding bonds	(180,000)	0
Principal paid on contract payable	(410,000)	0
Principal paid on state revolving fund - sewer	(85,000)	0
Interest paid on revenue bonds and contract payable	(484,665)	0
Net cash provided(used) by capital and related financing activities	(922,143)	0
Cash Flows From Investing Activities		
Interest earned on cash investments	67,108	2,648
Net increase in cash and cash equivalents	(54,075)	2,648
Cash and cash equivalents at beginning of year	2,534,299	54,453
Cash and cash equivalents at end of year	\$2,480,224	\$57,101

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

RECONCILIATION OF OPERATING ACTIVITIES TO CASH PROVIDED BY OPERATING ACTIVITIES
 PROPRIETARY FUNDS
 Year Ended February 28, 2007

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	(\$275,518)	\$0
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	663,652	0
 (Increase) decrease in Assets		
Receivables	(24,406)	0
Due from other funds	(1,544)	0
Prepaid expenses	(3,468)	0
Increase (Decrease) in Liabilities		
Accounts payable	(240,663)	0
Accrued payroll	(460)	0
Due to other funds	(23,117)	0
Other liabilities	7,241	0
Total Adjustments	377,235	0
 Net cash provided by operating activities	 \$101,717	 \$0

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
February 28, 2007

	<u>Agency Funds</u>
ASSETS	
Cash and money management accounts	<u>\$33,320</u>
Total Assets	<u><u>\$33,320</u></u>
LIABILITIES	
Due to other funds	\$21,970
Other liabilities	<u>11,350</u>
Total Liabilities	<u><u>\$33,320</u></u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

**COMBINED STATEMENT OF NET ASSETS
COMPONENT UNITS
February 28, 2007**

	Downtown Development Authority	LDFA Water Plant	LDFA Global Alliance
Assets			
Cash and money management accounts	\$495,430	\$545,334	\$1,038,529
Due from other governmental units	212,408	190,746	266,305
Accrued interest receivable	1,169	1,198	0
Restricted cash	0	0	82,815
Bond issuance costs, net of amortization	0	0	122,900
Capital assets, net of accumulated depreciation	0	0	6,153,072
 Total Assets	 \$709,007	 \$737,278	 \$7,663,621
 Liabilities			
Accounts payable	\$0	\$0	\$43,546
Noncurrent liabilities:			
Due within one year	0	0	125,000
Due in more than one year	0	0	5,557,800
 Total Liabilities	 0	 0	 5,726,346
 Net assets			
Invested in capital assets, net of related debt	0	0	443,072
Restricted	0	0	82,815
Unrestricted	709,007	737,278	1,411,388
 Total Net Assets(Deficit)	 709,007	 737,278	 1,937,275
 Total Liabilities and Net Assets	 \$709,007	 \$737,278	 \$7,663,621

See accompanying notes to the basic financial statements

<u>Economic Development</u>	<u>Brownfield Redevelopment</u>	<u>Total</u>
\$108,433	\$311,675	\$2,499,401
153,844	83,591	906,894
0	0	2,367
210,164	0	292,979
0	0	122,900
<u>10,950,731</u>	<u>0</u>	<u>17,103,803</u>
<u>\$11,423,172</u>	<u>\$395,266</u>	<u>\$20,928,344</u>
\$0	\$0	\$43,546
0	0	125,000
<u>12,335,065</u>	<u>0</u>	<u>17,892,865</u>
<u>12,335,065</u>	<u>0</u>	<u>18,061,411</u>
(1,384,334)	0	(941,262)
364,008	395,266	842,089
<u>108,433</u>	<u>0</u>	<u>2,966,106</u>
<u>(911,893)</u>	<u>395,266</u>	<u>2,866,933</u>
<u>\$11,423,172</u>	<u>\$395,266</u>	<u>\$20,928,344</u>

VILLAGE OF DUNDEE

COMBINED STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 Year Ended February 28, 2007

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Downtown Development Authority				
Public works	\$101,572	\$0	\$0	\$0
L DFA - Water Plant				
Public works	600	0	0	0
L DFA - Global Alliance				
Public works	31,094	0	0	0
Interest on long term debt	280,728	0	0	0
Total	311,822	0	0	0
Economic Development Corporation				
Public works	282,740	0	0	0
Interest on long term debt	318,910	0	0	0
Total	601,650	0	0	0
Brownfield Redevelopment Corporation				
Public works	43,853	0	0	0
Total component units	\$1,059,497	\$0	\$0	\$0
		General revenues:		
		Property taxes		
		Interest		
		Other		
		Transfers		
		Total general revenues and transfers		
		Change in net assets		
		Net Assets - Beginning of year		
		Net Assets - End of year		

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets

Downtown Development Authority	LDFA Water Plant	LDFA Global Alliance	Economic Development	Brownfield Redevelopment	Total
(\$101,572)					(\$101,572)
	(\$600)				(600)
		(\$31,094)			
		(280,728)			
		<u>(311,822)</u>			(311,822)
			(\$282,740)		
			(318,910)		
			<u>(601,650)</u>		(601,650)
				(\$43,853)	(43,853)
(101,572)	(600)	(311,822)	(601,650)	(43,853)	(1,059,497)
312,177	335,578	911,025	153,843	134,746	1,847,369
19,369	18,820	10,860	9,553	9,349	67,951
0	0	0	1,427	0	1,427
(174,835)	(291,476)	(464,536)	193,057	0	(737,790)
156,711	62,922	457,349	357,880	144,095	1,178,957
55,139	62,322	145,527	(243,770)	100,242	119,460
653,868	674,956	1,791,748	(668,123)	295,024	2,747,473
<u>\$709,007</u>	<u>\$737,278</u>	<u>\$1,937,275</u>	<u>(\$911,893)</u>	<u>\$395,266</u>	<u>\$2,866,933</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 1 Description of the Village and Reporting Entity

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

Reporting Entity

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

Discretely Presented Component Units

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

Downtown Development Authority

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

Local Development Finance Authority-Water Plant

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

Local Development Finance Authority-Global Engine Alliance

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

Economic Development Corporation

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

Brownfield Redevelopment Authority

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

Note 2 Summary of Significant Accounting Policies

The financial statements of the Village of Dundee have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Village also applies Financial Accounting Standards (FASB) statements and interpretations issued on or before November 30, 1989, to its Governmental activities provided they do not conflict with or contradict GASB pronouncements.

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 2 Summary of Significant Accounting Policies (Continued)

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

A. Government-Wide and Fund Financial Statements

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

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

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

The government-wide financial statements (statement of net assets and statement of activities) are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met.

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

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

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

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS Year Ended February 28, 2007

Note 2 Summary of Significant Accounting Policies (Continued)

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

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

The Village reports the following major governmental funds:

General Fund

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

Major Street Fund

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

Local Street Fund

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

Industrial Park and Equipment Purchase Fund

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

The Village reports the following major proprietary fund:

Enterprise Funds

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

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

The Village reports the following nonmajor governmental funds:

Special Revenue Funds

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

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 2 Summary of Significant Accounting Policies (Continued)

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

Capital Improvement Funds

Economic Development Fund and Sewer Separation and Street Rehabilitation Fund.

Debt Service Funds

1993 Special Assessment Fund, 1993 General Obligation Fund, 1993 Michigan Transportation Fund, 1994 Downtown Development Authority (LTGO) Bond Fund, 1998 General Obligation Fund, 1998 Special Assessment Fund, 1999 Special Assessment Fund, 2000 Special Assessment Fund, 2000 Installment Fund, 2001 Special Assessment Fund, 2004 Installment Purchase Fund, 2004 Special Assessment Fund, 2005 Capital Improvement General Obligation Fund, 2005 Installment Purchase/Lease, 2005 Installment Vactor Fund, and 2007 Installment Purchase Fund.

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

Additionally, the Village reports the following fund types:

Agency Funds

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

C. Use of Estimates

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

D. Assets, Liabilities, and Net Assets

Cash and Cash Equivalents

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

Due From Other Governments

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

Prepaid Expenses

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

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 2 Summary of Significant Accounting Policies (Continued)

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

Restricted Assets

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

Capital Assets

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

Infrastructure assets acquired prior to March 1, 2004, except for the EDC infrastructure assets, have not been capitalized and are omitted from the Statement of Net Assets.

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

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

Works of Art, Historical Treasures, and Similar Assets

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

Interfund Balances

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

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 2 Summary of Significant Accounting Policies (Concluded)

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

Accrued Liabilities and Long-Term Obligations

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

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

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

Compensated Absences

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

Nature and Purpose of Reservations of Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations, if any, of fund balance represent tentative management plans that are subject to change.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

Note 3 Stewardship, Compliance, and Accountability

Budget Policy and Budgetary Accounting

Budgetary comparison schedules are required to be presented as Required Supplementary Information for the general fund and each major special revenue fund for which an annual budget has been adopted. Under the new reporting model GASB Statement No. 34 the following information is to be reported:

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

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS Year Ended February 28, 2007

Note 3 Stewardship, Compliance, and Accountability (Concluded)

Budget Policy and Budgetary Accounting (Concluded)

The Village has presented the General Fund, Major Street Fund and Local Street Fund in the Budgetary Comparison Schedules as Required Supplementary Information.

The Village has presented the Industrial Park and Equipment Purchase Fund and all nonmajor governmental funds in the Budgetary Comparison Schedules as Other Supplementary Information.

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

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

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

Note 4 Deposits

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

The Village believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Village evaluates each financial institution with which it deposits Village funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Village of Dundee Council has adopted an investment policy and has authorized four depositories: Monroe Bank & Trust, United Bank & Trust, LaSalle Bank, and Chase.

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

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 4 Deposits (Concluded)

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

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

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

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

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

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

Custodial credit risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned or the Village will not be able to recover the collateral securities in the possession of an outside party. As of February 28, 2007, the carrying amount of deposits (cash, certificates of deposits, checking accounts, savings accounts and money markets) for the government and component units were \$7,934,063 and \$2,792,380, respectively. The combined bank balance was \$10,865,295. The Village's deposits are insured by the FDIC in the amount of \$306,692, with uninsured deposits of \$10,558,603. The Village's deposits are at institutions with an established record of fiscal health and service. The Village Council approves and designates a list of authorized depository institutions. The Village's policy does not address custodial credit risk.

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

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>
Cash and Cash Equivalents	\$5,420,519	\$1,079,377	\$6,499,896	\$33,320	\$2,499,401
Restricted Cash	-	<u>1,400,847</u>	<u>1,400,847</u>	-	<u>292,979</u>
	<u>\$5,420,519</u>	<u>\$2,480,224</u>	<u>\$7,900,743</u>	<u>\$33,320</u>	<u>\$2,792,380</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 5 Interfund Receivable, Payable and Transfers

Interfund receivable and payable balances as of February 28, 2007 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Major Street Fund	\$21,774	
Local Street Fund	12,772	
Tax	14,162	
Water & Sewer	36,668	
1993 S. A.	15,000	
Payroll Fund	37	
Special Revenue Funds:		
Municipal Highway Fund:		
Tax	5,990	
Major Street Fund:		
General Fund		\$21,774
Local Street Fund:		
General Fund		12,772
Agency Funds:		
Taxes:		
General Fund		14,162
Municipal Highway Fund		5,990
Water/Sewer		1,781
Payroll Fund:		
General Fund		37
Debt Fund:		
1993 S.A. Debt:		
General Fund		15,000
Water/Sewer:		
Tax	1,781	
General Fund	<u> </u>	<u>36,668</u>
	<u>\$108,184</u>	<u>\$108,184</u>

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

Interfund transfers were as follows:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>	
General Fund	EDC Construction Fund	\$ 12,780	(1)
	Parks and Recreation Fund	3,000	(2)
	Historical Commission	26,500	(2)
	EDC Debt Fund	135,140	(1)
	2004 Installment Debt Fund	21,093	(3)
	2000 Installment Debt Fund	13,727	(3)
	2005 Installment Debt Fund (Dump truck)	22,641	(3)
	2005 Installment Debt Fund (Vactor)	22,393	(3)
	2005 General Obligation Debt	167,400	(3)
	2007 Installment Debt (Sweeper)	<u>24,710</u>	(3)
Total General Fund		449,384	

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 5 Interfund Receivable, Payable and Transfers (Concluded)

Funds Transferred From	Funds Transferred To	Amount	
Municipal Street Fund	EDC Construction Fund	\$ 5,477	(1)
	Major Street Fund	70,000	(4)
	EDC Debt Fund	57,917	(1)
	1993 General Obligation Bonds	45,780	(3)
	1998 General Obligation Bonds	13,455	(3)
	Local Street Fund	50,000	(4)
Total Municipal Street Fund		242,629	
Major Street Fund	1993 MTF Bonds	29,200	(3)
LDFA #3 - Global Engine Alliance	Industrial Park/ Equipment Purchase Fund	44,769	(7)
	General Fund	5,000	(6)
	LDFA #3 Debt Fund	394,117	(3)
	Water/Sewer Enterprise	406,600	(3)
	Water/Sewer Enterprise	8,167	(5)
		858,653	
Downtown Development Authority	1994 DDA LTGO Bonds	169,835	(3)
	General Fund	5,000	(1)
Total Downtown Development Authority		174,835	
LDFA - Water Plant	General Fund	7,000	(6)
	Water/Sewer Enterprise Fund	284,476	(3)
Total LDFA - Water Plant		291,476	
Total		\$2,046,177	

The following describes the purpose of the transfers:

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

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 6 Property Tax

The Village, under Public Act 3 of 1895, as amended, may levy up to 12.5 mills for general purposes, 5 mills for highways and streets, and 1 mill for cemetery maintenance. Taxes are levied on July 1, each year and are collected by the Village from July 1 to August 31.

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

The taxable value for both real and personal property as of December 31, 2005 amounted to \$165,717,707, which was based on a percentage of the fair market value of the assessed property. The 2006 tax roll consisted of the following millage rates.

6.68 mills	General Fund
2.90 mills	Municipal Highway Fund
<u>.87</u> mills	Wastewater Plant Debt Fund
<u>10.45</u> mills	

Note 7 Tax Increment Financing

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

On May 31, 1988, the Village adopted a Tax Increment Financing Authority Plan for the Dundee Downtown Development District as allowed under the Downtown Development Authority Act, Act No. 197 of the Public Acts of 1975. This plan is devoted to the planned and orderly economic revitalization of the downtown business district. For the fiscal year ended February 28, 2007, the Downtown Development Fund recorded \$312,177 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, 2007, the Local Development Finance Fund (Water Fund) recorded \$335,578 as property tax revenue generated from the industrial park area.

On May 29, 2003, the Village adopted a Local Development Finance Authority Plan (Global Engine Project) to repay the financing of improvements to utilities and roadways on Ty Circle Drive, Ann Arbor Road, and Dundee Azalia Road. These improvements were required to allow the construction of a \$240,000,000 facility by Global Engine Alliance, LLC. For the fiscal year ended February 28, 2007, the Local Development Finance Authority (Global Engine Project) recorded \$911,025 as property tax revenue generated from the properties under improvement.

The Village has adopted Brownfield Redevelopment Authority (Tecumseh Road) to assist in financing the clean-up and development of a Brownfield area. For the year ended February 28, 2007, the Authority recorded \$134,746 in property tax revenue.

Note 8 Due from Other Governments

Due from other governments in the Downtown Development and Local Development Finance Component Units and the Brownfield Redevelopment Component Unit is a receivable for captured taxes from Monroe County and Dundee Township of \$723,049. Due from other governments in the Economic Development Corporation Debt Service Fund is a receivable for Incremental Revenue from the County and College of \$153,844.

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 9 Capital Assets

Capital asset activity for the year ended February 28, 2007 was as follows:

Primary Government

	Balance <u>March 1, 2006</u>	Additions	Deletions	Balance <u>February 28, 2007</u>
<u>Governmental Activities</u>				
Capital assets not depreciated:				
Land	\$3,395,938	\$0	\$0	\$3,395,938
Construction in process	2,483,678	1,674,281	3,955,304	202,655
Capital assets being depreciated				
Infrastructure, roads, drains, and storm sewers	818,800	2,019,353	0	2,838,153
Buildings	2,070,031	2,036,581	0	4,106,612
Improvements other than buildings	1,168,262	0	0	1,168,262
Equipment	209,055	67,906	0	276,961
Vehicles	561,837	130,000	0	691,837
Totals at historical cost	<u>10,707,601</u>	<u>5,928,121</u>	<u>3,955,304</u>	<u>12,680,418</u>
Less accumulated depreciation for				
Infrastructure, roads, drains, and storm sewers	(26,435)	(86,005)	0	(112,440)
Buildings	(460,308)	(79,664)	0	(539,972)
Improvements other than buildings	(428,333)	(27,921)	0	(456,254)
Equipment	(149,081)	(11,263)	0	(160,344)
Vehicles	(338,979)	(55,158)	0	(394,137)
Total accumulated depreciation	<u>(1,403,136)</u>	<u>(260,011)</u>	<u>0</u>	<u>(1,663,147)</u>
Governmental Activities - Net Capital Assets	<u>\$9,304,465</u>	<u>\$5,668,110</u>	<u>\$3,955,304</u>	<u>\$11,017,271</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$119,273
Public safety	5,893
Public works	116,943
Culture and recreation	<u>17,902</u>
Total depreciation expense	<u>\$260,011</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 9 Capital Assets (Concluded)

Primary Government (Continued)

	Balance March 1, 2006	Additions	Deletions	Balance February 28, 2007
<u>Business-type Activities</u>				
Capital assets not depreciated:				
Land	\$53,816	\$0	\$0	\$53,816
Construction in process	10,307,034	164,120	7,839,317	2,631,837
Capital assets being depreciated:				
Vehicles and equipment	341,648	21,837	0	363,485
Buildings and improvements	9,046,788	7,839,317	0	16,886,105
Water and sewer lines	10,972,096	0	0	10,972,096
Totals at historical costs	<u>30,721,382</u>	<u>8,025,274</u>	<u>7,839,317</u>	<u>30,907,339</u>
Less accumulated depreciation for:				
Vehicles and equipment	(244,744)	(25,167)	0	(269,911)
Buildings and improvements	(3,691,598)	(343,766)	0	(4,035,364)
Water and sewer lines	(1,983,947)	(278,501)	0	(2,262,448)
Total accumulated depreciation	<u>(5,920,289)</u>	<u>(647,434)</u>	<u>0</u>	<u>(6,567,723)</u>
Business-Type Activities - Net Capital Assets	<u>\$24,801,093</u>	<u>\$7,377,840</u>	<u>\$7,839,317</u>	<u>\$24,339,616</u>
Depreciation expense was charged to business-type functions as follows:				
Water				\$303,497
Sewer				343,937
Total depreciation expense				<u>\$647,434</u>

Component Units

Economic Development Corporation

Capital assets not depreciated:				
Land	\$3,300,000	\$0	\$0	\$3,300,000
Capital assets being depreciated:				
Water and sewer lines	2,396,074	0	0	2,396,074
Storm Sewers	1,830,690	0	0	1,830,690
Streets and ramps	4,808,301	0	0	4,808,301
Totals at historical costs	<u>12,335,065</u>	<u>0</u>	<u>0</u>	<u>12,335,065</u>
Less accumulated depreciation for:				
Water and sewer lines	(191,686)	(47,922)	0	(239,608)
Storm Sewers	(146,452)	(36,614)	0	(183,066)
Streets and ramps	(769,328)	(192,332)	0	(961,660)
Totals accumulated depreciation	<u>(1,107,466)</u>	<u>(276,868)</u>	<u>0</u>	<u>(1,384,334)</u>
EDC - Net Capital Assets	<u>\$11,227,599</u>	<u>(\$276,868)</u>	<u>\$0</u>	<u>\$10,950,731</u>
Depreciation expense charged to public works		<u>\$276,868</u>		

LDFA #3 Global Engine Project

Capital assets not depreciated:				
Construction in process	\$6,173,804	\$5,013	\$6,178,817	\$0
Capital assets being depreciated:				
Infrastructure Improvements	0	6,178,817	0	6,178,817
Totals at historical costs	<u>6,173,804</u>	<u>6,183,830</u>	<u>6,178,817</u>	<u>6,178,817</u>
Less accumulated depreciation for:				
Improvements	0	(25,745)	0	(25,745)
LDFA #3 - Net Capital Assets	<u>\$6,173,804</u>	<u>\$6,158,085</u>	<u>\$6,178,817</u>	<u>\$6,153,072</u>
Depreciation expense charged to public works		<u>\$25,745</u>		

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS Year Ended February 28, 2007

Note 10 Retirement Commitments

Plan Description

The Village of Dundee is in an agent multiple-employer defined benefit pension plan with the Municipal Employees Retirement System (MERS), administered by the State of Michigan. The Village's covered payroll for employees covered by the system for the year ended February 28, 2007 was \$648,261 out of a total of \$1,033,321.

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

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

Employees contribute 7.0% of their wages to the plan. The Village is required to contribute the remaining amounts necessary to fund the system, using the actuarial basis specified by State statute. The Village's annual required contribution was zero for the fiscal year ending February 28, 2007. The contribution requirements of plan members and the Village are established by the Village and by the MERS Board of Trustees. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age normal cost method.

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

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

Contributions Required and Contributions Made

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

The contribution to MERS for the year ended February 28, 2007, of \$45,186 (7% current covered payroll) was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of December 31, 1990. The Village contributed \$-0- ; employees contributed \$45,186 (7.0% current covered payroll).

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

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

	Valuation Ended December 31,		
	2003	2004	2005
Annual pension cost	\$ -	\$ -	\$ -
Percentage of APC contributed	100%	100%	100%
Net pension obligation	-	-	-
Actuarial value of assets	2,055,934	2,175,602	2,298,684
Actuarial accrued liability (entry age)	1,618,497	1,768,281	1,906,962
Unfunded (overfunded) AAL	(437,437)	(407,321)	(391,722)
Funded ratio	127%	123%	121%
Annual covered payroll	495,896	576,701	607,708
UAAL as a percentage of annual covered payroll	0%	0%	0%

Note 11 Long-Term Debt

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

	Balance February 28, 2006	<u>Additions</u>	<u>Retired</u>	Balance February 28, 2007	Due Within One Year
1993 Sewage Disposal System Limited Tax General Obligation bonds, bearing interest at 2%.	\$ 825,000	\$ -	\$ 85,000	\$ 740,000	\$ 85,000
1994 Sewage Disposal System Refunding Bonds, bearing interest at rates from 4.1% to 6.2%.	755,000	-	180,000	575,000	180,000
1997 Water Supply and Sewage Disposal System Revenue Bonds, bearing interest at 6.25%.	130,000	-	15,000	115,000	15,000
1998 Water Supply and Sewage Disposal System Revenue Bonds, bearing interest at 5.75%.	285,000	-	10,000	275,000	15,000
1999 Water Supply and Sewage Disposal System Revenue Bonds, bearing interest at 4.50%.	55,000	-	10,000	45,000	15,000

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

	Balance February 28, 2006	Additions	Retired	Balance February 28, 2007	Due Within One Year
2001 Monroe County Water Supply System Limited Tax General Obligation Bonds, bearing interest at rates from 4.0% to 5.0%.	\$ 3,290,000	\$ -	\$ 65,000	\$ 3,225,000	\$ 65,000
2002 Water Supply System Limited Tax General Obligation Refunding Bonds, bearing interest at rates from 1.4% to 3.8%.	825,000	-	125,000	700,000	125,000
2004 Monroe County Sewage Disposal System Limited Tax General Obligation Bonds, bearing interest from 3.88% to 5.00%.	<u>5,000,000</u>	<u>-</u>	<u>185,000</u>	<u>4,815,000</u>	<u>195,000</u>
Total Bonds and Contracts	11,165,000	-	675,000	10,490,000	695,000
Compensated Absences	<u>26,373</u>	<u>27,283</u>	<u>26,373</u>	<u>27,283</u>	<u>27,283</u>
Total Business-Type Activities	<u>11,191,373</u>	<u>27,283</u>	<u>701,373</u>	<u>10,517,283</u>	<u>722,283</u>
1993 General Obligation Limited Tax Bonds, bearing interest at rates from 3.0% to 5.5%.	120,000	-	40,000	80,000	40,000
1993 Special Assessment Bonds, bearing interest at rates from 3.0% to 5.5%.	75,000	-	25,000	50,000	25,000
1993 Michigan Transportation Fund Bonds, bearing interest at rates from 3.0% to 5.5%.	85,000	-	25,000	60,000	30,000
Refinanced Downtown Development Authority-Component Unit 1994 Downtown Development and Refunding Bonds, bearing interest at 4.55%.	1,365,000	-	110,000	1,255,000	120,000

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

	Balance February 28, 2006	Additions	Retired	Balance February 28, 2007	Due Within One Year
1998 General Obligation Limited Tax Bonds, bearing interest at 4.95%.	\$ 70,000	\$ -	\$ 10,000	\$ 60,000	\$ 10,000
1998 Special Assessment Limited Tax General Obligation Bonds, bearing interest at 4.95%.	225,000	-	35,000	190,000	30,000
1999 Special Assessment Limited Tax General Obligation Bonds, bearing interest at 4.40%.	115,000	-	40,000	75,000	40,000
November 21, 2000 installment purchase agreement for purchase of a new dump truck for the Department of Public Works. Annual payments include interest at 5.5%.	13,000	-	13,000	-	-
2000 Special Assessment Limited Tax General Obligation Bonds bearing interest at 5.10%.	185,000	-	30,000	155,000	30,000
2001 Special Assessment Limited Tax General Obligation Bonds bearing interest at 4.45%.	180,000	-	15,000	165,000	15,000
February 13, 2004 installment purchase agreement for purchase of building located at 141 Riley St., Dundee. Variable semiannual payments bearing an interest rate of 3.60%.	153,284	-	15,554	137,730	16,647
2004 Special Assessment Limited Tax General Obligation Bonds, bearing interest at 3.49%.	135,000	-	15,000	120,000	20,000
2004 Promissory Note (without recourse) for purchase of 154 acres of improved industrial park land, bearing interest at 4.00%.	3,268,000	-	-	3,268,000	-

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

	Balance February 28, 2006	<u>Additions</u>	<u>Retired</u>	Balance February 28, 2007	Due Within <u>One Year</u>
2004 Promissory Note/Line of Credit (without recourse) for interest and marketing expenses on the 154 acres of improved park land, bearing interest at 4.00%.	\$ 123,379	\$ -	\$ -	\$ 123,379	\$ -
2005 Capital Improvement Limited Tax General Obligation Bonds, bearing interest at 3.10% to 4.45%.	1,925,000	-	100,000	1,825,000	100,000
2005 Capital Lease/Installment with Ford Motor Credit for the purchase of a dump truck. Payments are made semiannually with interest at 5.60%.	61,734	-	19,453	42,281	20,557
2005 Installment purchase with United Bank & Trust for the purchase of a 1998 Ford vactor truck. Payments are made annually with interest at 4.145%.	160,000	-	16,000	144,000	16,000
2006 Capital Improvement Limited Tax General Obligation Bonds, bearing interest at 3.75% to 4.50%.	-	1,300,000	-	1,300,000	-
2007 Capital Improvement Limited Tax General Obligation Bonds, bearing interest at 4.00% to 5.25%.	-	700,000	-	700,000	-
2007 Capital Lease/Installment with Elgin Sweeper Company for the purchase of a 2006 Elgin Street Sweeper. Payments are made annually with interest at 5.58%.	<u>-</u>	<u>130,000</u>	<u>24,710</u>	<u>105,290</u>	<u>18,835</u>
Total Bonds and Installment Obligations	8,259,397	2,130,000	533,717	9,855,680	532,039
Compensated Absences	<u>50,490</u>	<u>60,149</u>	<u>50,490</u>	<u>60,149</u>	<u>60,149</u>
Total Governmental Activities	<u>8,309,887</u>	<u>2,190,149</u>	<u>584,207</u>	<u>9,915,829</u>	<u>592,188</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

	<u>Balance</u> February 28, 2006	<u>Additions</u>	<u>Retired</u>	<u>Balance</u> February 28, 2007	<u>Due</u> Within <u>One Year</u>
Economic Development Component Unit note payable to Cabela's Retail, Inc. Payments to be made annually starting 2003 and continuing for sixteen years. Payment amount is based on tax revenues.	\$12,335,065	\$ -	\$ -	\$12,335,065	\$ -
2004 Local Development Finance Authority-Component Unit Limited Tax General Obligation Bonds, bearing interest from 3.95% to 5.5%. (Federally Taxable)	3,200,000	-	105,000	3,095,000	110,000
2004 Local Development Finance Authority Monroe Bank & Trust Bonds, bearing interest from 4.00% to 5.00%. (Tax Exempt)	425,000	-	20,000	405,000	20,000
Local Development Finance Authority Component Unit 2005 Global Engine Refunding Bonds, bearing interest from 3.50% to 4.50%. (Tax Exempt)	<u>2,210,000</u>	<u>-</u>	<u>-</u>	<u>2,210,000</u>	<u>-</u>
Total Component Unit	<u>18,170,065</u>	<u>-</u>	<u>125,000</u>	<u>18,045,065</u>	<u>130,000</u>
Total	<u>\$37,671,325</u>	<u>\$2,217,432</u>	<u>\$1,410,580</u>	<u>\$38,478,177</u>	<u>\$1,444,471</u>

Contract Liability For Sewage Disposal Systems Bonds (Dundee Sewer No. 2) - \$1,165,000 issue dated September 30, 1993, by the County of Monroe as part of the State Revolving Loan Funded Project, to finance the sewer separation project capitalized in the water/sewer enterprise fund during fiscal year ending February 28, 1997.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual</u> <u>Requirements</u>
2008	\$ 85,000	\$13,443	\$ 98,443
2009	90,000	11,693	101,693
2010	90,000	9,893	99,893
2011	90,000	8,093	98,093
2012	95,000	6,243	101,243
2013	95,000	4,343	99,343
2014	95,000	2,443	97,443
2015	<u>100,000</u>	<u>747</u>	<u>100,747</u>
	<u>\$740,000</u>	<u>\$56,898</u>	<u>\$796,898</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

Contract liability for 1994 Sewage Disposal Refunding Bonds (Village of Dundee System No. 1) - \$2,150,000 issue dated July 7, 1994, less discount of \$5,793, by the County of Monroe to advance refund 1988 Sewage Disposal System Bonds.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$180,000	\$29,600	\$209,600
2009	200,000	18,190	218,190
2010	<u>195,000</u>	<u>6,045</u>	<u>201,045</u>
	<u>\$575,000</u>	<u>\$53,835</u>	<u>\$628,835</u>

1997 Water Supply and Sewer Disposal System Revenue Bonds dated March 1, 1997, in the aggregate principal amount of \$220,000 for the purpose of construction and improvements to the Village's Water Supply and Sewage Disposal System.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ 15,000	\$ 5,644	\$ 20,644
2009	15,000	4,856	19,856
2010	20,000	3,938	23,938
2011	20,000	2,888	22,888
2012	20,000	1,838	21,838
2013	<u>25,000</u>	<u>655</u>	<u>25,655</u>
	<u>\$115,000</u>	<u>\$19,819</u>	<u>\$134,819</u>

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

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ 15,000	\$13,509	\$ 28,509
2009	15,000	12,751	27,751
2010	15,000	11,994	26,994
2011	15,000	11,236	26,236
2012	15,000	10,479	25,479
2013	15,000	9,721	24,721
2014	15,000	8,964	23,964
2015	40,000	7,575	47,575
2016	40,000	5,555	45,555
2017	40,000	3,535	43,535
2018	<u>50,000</u>	<u>1,263</u>	<u>51,263</u>
	<u>\$275,000</u>	<u>\$96,582</u>	<u>\$371,582</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

1999 Water Supply and Sewage Disposal System Revenue Bonds dated May 18, 1999, in the aggregate principal amount of \$115,000 for the purpose of construction and extension of water and sewer lines.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$15,000	\$1,763	\$16,763
2009	15,000	1,068	16,068
2010	<u>15,000</u>	<u>356</u>	<u>15,356</u>
	<u>\$45,000</u>	<u>\$3,187</u>	<u>\$48,187</u>

2001 Monroe County Water Supply System Limited Tax General Obligation Bonds dated April 1, 2001, in the aggregate principal amount of \$3,500,000 less discount of \$35,000 by the County of Monroe for the purpose of construction and extension of water system improvements.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ 65,000	\$ 153,904	\$ 218,904
2009	70,000	151,085	221,085
2010	70,000	148,128	218,128
2011	90,000	144,728	234,728
2012	100,000	140,690	240,690
2013	100,000	136,365	236,365
2014	130,000	131,240	261,240
2015	115,000	125,670	240,670
2016	125,000	120,088	245,088
2017	130,000	114,030	244,030
2018	130,000	107,758	237,758
2019	190,000	99,950	289,950
2020	205,000	90,273	295,273
2021	215,000	79,875	294,875
2022	225,000	68,875	293,875
2023	235,000	57,375	292,375
2024	245,000	45,375	290,375
2025	250,000	33,000	283,000
2026	260,000	20,250	280,250
2027	<u>275,000</u>	<u>6,875</u>	<u>281,875</u>
	<u>\$3,225,000</u>	<u>\$1,975,534</u>	<u>\$5,200,534</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

Contract Liability for 2002 Water Supply System Refunding Bonds (Village of Dundee System No. 1) - \$1,085,000 issue dated December 19, 2002, plus premium of \$2,341 by the County of Monroe to advance refund 1991 Water Supply System Bonds.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$125,000	\$22,095	\$147,095
2009	130,000	18,173	148,173
2010	140,000	13,745	153,745
2011	150,000	8,627	158,627
2012	<u>155,000</u>	<u>2,945</u>	<u>157,945</u>
	<u>\$700,000</u>	<u>\$65,585</u>	<u>\$765,585</u>

2004 Monroe County Sewage Disposal System (Village of Dundee System No. 3) Limited Tax General Obligation Bonds dated May 1, 2004 in aggregate principal amount of \$5,000,000 less discount of \$50,000 by the County of Monroe for the purpose of constructing an addition to the existing waste water treatment plant to service the Village of Dundee.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ 195,000	\$ 211,976	\$ 406,976
2009	200,000	204,198	404,198
2010	210,000	195,998	405,998
2011	220,000	187,398	407,398
2012	230,000	178,254	408,254
2013	240,000	168,560	408,560
2014	255,000	158,350	413,350
2015	265,000	147,459	412,459
2016	280,000	135,668	415,668
2017	290,000	123,056	413,056
2018	300,000	109,854	409,854
2019	315,000	95,859	410,859
2020	330,000	80,859	410,859
2021	345,000	64,824	409,824
2022	365,000	47,647	412,647
2023	385,000	29,125	414,125
2024	<u>390,000</u>	<u>9,750</u>	<u>399,750</u>
	<u>\$4,815,000</u>	<u>\$2,148,835</u>	<u>\$6,963,835</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

1993 General Obligation Limited Tax Bonds dated September 1, 1993, in the aggregate amount of \$450,000 for the construction of public street improvements.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$40,000	\$3,300	\$43,300
2009	<u>40,000</u>	<u>1,100</u>	<u>41,100</u>
	<u>\$80,000</u>	<u>\$4,400</u>	<u>\$84,400</u>

1993 Special Assessment Bonds (limited tax general obligation) dated September 1, 1993, in the aggregate principal amount of \$660,000 for the construction of public street improvements.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$25,000	\$2,063	\$27,063
2009	<u>25,000</u>	<u>687</u>	<u>25,687</u>
	<u>\$50,000</u>	<u>\$2,750</u>	<u>\$52,750</u>

1993 Michigan Transportation Fund Bonds dated September 1, 1993, in the aggregate amount of \$300,000 for the construction of public street improvements.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$30,000	\$2,400	\$32,400
2009	<u>30,000</u>	<u>803</u>	<u>30,803</u>
	<u>\$60,000</u>	<u>\$3,203</u>	<u>\$63,203</u>

1999 Downtown Development Refunding Bonds (Limited Tax General Obligation) dated March 23, 1999, in the aggregate principal amount of \$1,695,000 for the refinancing of the 1994 Downtown Development and Refunding Bonds.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ 120,000	\$ 54,373	\$ 174,373
2009	130,000	48,685	178,685
2010	145,000	42,429	187,429
2011	150,000	35,717	185,717
2012	160,000	28,665	188,665
2013	175,000	21,044	196,044
2014	185,000	12,854	197,854
2015	<u>190,000</u>	<u>4,323</u>	<u>194,323</u>
	<u>\$1,255,000</u>	<u>\$248,090</u>	<u>\$1,503,090</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

Contract Liability for 1998 General Obligation Limited Tax Bonds-\$105,000 issue dated May 5, 1998, by the County of Monroe, for the purpose of local public improvements.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$10,000	\$ 2,970	\$12,970
2009	10,000	2,475	12,475
2010	10,000	1,980	11,980
2011	10,000	1,485	11,485
2012	10,000	990	10,990
2013	<u>10,000</u>	<u>495</u>	<u>10,495</u>
	<u>\$60,000</u>	<u>\$10,395</u>	<u>\$70,395</u>

Special Assessment Limited Tax General Obligation Bonds dated May 5, 1998, in the aggregate amount of \$475,000, for the purpose of local public improvements for Stowell Road and Waterstradt Commerce Drive.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ 30,000	\$ 9,405	\$ 39,405
2009	30,000	7,920	37,920
2010	30,000	6,435	36,435
2011	30,000	4,950	34,950
2012	30,000	3,465	33,465
2013	<u>40,000</u>	<u>1,980</u>	<u>41,980</u>
	<u>\$190,000</u>	<u>\$34,155</u>	<u>\$224,155</u>

Special Assessment (Limited Tax General Obligation) Bonds dated May 18, 1999, in the aggregate amount of \$375,000, for the purpose of local public improvements for Oak Street and Waterstradt Commerce Drive.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$40,000	\$3,260	\$43,260
2009	<u>35,000</u>	<u>1,540</u>	<u>36,540</u>
	<u>\$75,000</u>	<u>\$4,800</u>	<u>\$79,800</u>

Special Assessment (Limited Tax General Obligation) Bonds dated November 7, 2000, in the aggregate amount of \$300,000 for the purpose of an Industrial Complex Development.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ 30,000	\$ 6,988	\$ 36,988
2009	35,000	5,403	40,403
2010	30,000	3,795	33,795
2011	30,000	2,288	32,288
2012	<u>30,000</u>	<u>765</u>	<u>30,765</u>
	<u>\$155,000</u>	<u>\$19,239</u>	<u>\$174,239</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

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

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ 15,000	\$ 7,009	\$ 22,009
2009	15,000	6,341	21,341
2010	15,000	5,674	20,674
2011	15,000	5,006	20,006
2012	15,000	4,339	19,339
2013	15,000	3,671	18,671
2014	15,000	3,004	18,004
2015	15,000	2,336	17,336
2016	15,000	1,669	16,669
2017	15,000	1,001	16,001
2018	<u>15,000</u>	<u>334</u>	<u>15,334</u>
	<u>\$165,000</u>	<u>\$40,384</u>	<u>\$205,384</u>

2004 Note Payable to United Bank & Trust, dated February 13, 2004 for \$175,000 to finance the purchase of real estate.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ 16,447	\$ 4,646	\$ 21,093
2009	16,877	4,215	21,092
2010	17,491	3,602	21,093
2011	18,126	2,967	21,093
2012	18,784	2,309	21,093
2013	19,467	1,626	21,093
2014	20,174	919	21,093
2015	<u>10,364</u>	<u>186</u>	<u>10,550</u>
	<u>\$137,730</u>	<u>\$20,470</u>	<u>\$158,200</u>

2004 Special Assessment (Limited Tax General Obligations) Bonds dated May 18, 2004 in the aggregate amount of \$155,000 for the purpose of road replacement on First Street.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ 20,000	\$ 4,188	\$ 24,188
2009	20,000	3,490	23,490
2010	15,000	2,792	17,792
2011	15,000	2,269	17,269
2012	15,000	1,745	16,745
2013	15,000	1,222	16,222
2014	<u>20,000</u>	<u>698</u>	<u>20,698</u>
	<u>\$120,000</u>	<u>\$16,404</u>	<u>\$136,404</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

2004 Promissory note (without recourse) with Monroe Bank & Trust dated March 30, 2004 in the amount of \$3,268,000 for the purpose of purchasing 153 acres of improved land in the Village's Industrial Park. Repayment of the promissory note is subject to parcel sales in accordance with the provisions of a land development agreement between the Village of Dundee and Monroe Bank & Trust. The Village will have no direct obligation for the payment of the obligation represented by the agreement. The obligation owing under this agreement shall terminate on December 31, 2009, unless extended. The property is secured by various mortgages with Monroe Bank & Trust.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ 0	\$196,080	\$ 196,080
2009	0	196,080	196,080
2010	<u>3,268,000</u>	<u>196,080</u>	<u>3,464,080</u>
	<u>\$3,268,000</u>	<u>\$588,240</u>	<u>\$3,856,240</u>

2004 Promissory note/line of credit (without recourse) with Monroe Bank & Trust dated March 30, 2004 in the amount of \$99,942 for the purpose of paying interest and marketing expenses in accordance with the land development agreement described above. Repayment of the credit line is subject to parcel sales in accordance with the provisions of the land development agreement between the Village of Dundee and Monroe Bank and Trust. The Village will have no direct obligation for the payment of the obligation represented by the agreement. The obligation owing under this agreement shall terminate on December 31, 2009, unless extended. The property is secured by various mortgages with Monroe Bank & Trust.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ 0	\$7,403	\$ 7,403
2009	0	7,403	7,403
2010	<u>123,379</u>	<u>7,403</u>	<u>130,782</u>
	<u>\$123,379</u>	<u>\$22,209</u>	<u>\$145,588</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

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

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$100,000	\$73,036	\$173,036
2009	105,000	69,837	174,837
2010	109,000	66,319	175,319
2011	112,000	62,504	174,504
2012	117,000	58,416	175,416
2013	121,000	54,028	175,028
2014	126,000	49,370	175,370
2015	130,000	44,393	174,393
2016	136,000	39,128	175,128
2017	141,000	33,484	174,484
2018	147,000	27,492	174,492
2019	154,000	21,170	175,170
2020	160,000	14,472	174,472
2021	167,000	7,431	174,431
	<u>\$1,825,000</u>	<u>\$621,080</u>	<u>\$2,446,080</u>

2005 Note Payable to Ford Motor Company, dated July 1, 2005 for \$82,385 to finance a capital lease/installment purchase of a new 2005 Ford L750 Dump Truck.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$20,557	\$2,084	\$22,641
2009	21,724	916	22,640
	<u>\$42,281</u>	<u>\$3,000</u>	<u>\$45,281</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

2005 Note Payable to United Bank & Trust dated July 5, 2005 in the amount of \$160,000 for the purpose of financing the purchase of a 1998 Vactor Truck on a Ford chassis.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$16,000	\$6,052	\$22,052
2009	16,000	5,394	21,394
2010	16,000	4,707	20,707
2011	16,000	4,034	20,034
2012	16,000	3,362	19,362
2013	16,000	2,697	18,697
2014	16,000	2,017	18,017
2015	16,000	1,345	17,345
2016	16,000	672	16,672
	<u>\$144,000</u>	<u>\$30,280</u>	<u>\$174,280</u>

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

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$0	\$57,443	\$57,443
2009	40,000	54,543	94,543
2010	45,000	52,938	97,938
2011	45,000	51,216	96,216
2012	50,000	49,375	99,375
2013	50,000	47,412	97,412
2014	55,000	45,325	100,325
2015	55,000	43,111	98,111
2016	55,000	40,870	95,870
2017	60,000	38,497	98,497
2018	60,000	35,992	95,992
2019	65,000	33,351	98,351
2020	65,000	30,573	95,573
2021	70,000	27,653	97,653
2022	75,000	24,480	99,480
2023	75,000	21,161	96,161
2024	80,000	17,712	97,712
2025	85,000	14,041	99,041
2026	85,000	10,237	95,237
2027	90,000	6,301	96,301
2028	95,000	2,138	97,138
	<u>\$1,300,000</u>	<u>\$704,369</u>	<u>\$2,004,369</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

2007 Capital Improvement (Limited Tax General Obligations) Bonds dated February 1, 2007 in the aggregate amount of \$700,000 for the purpose of financing the remaining costs to acquire, construct, furnish and equip new municipal offices with Council Chambers and a new Department of Public Works facility.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$0	\$22,637	\$22,637
2009	15,000	29,882	44,882
2010	20,000	29,182	49,182
2011	20,000	28,382	48,382
2012	25,000	27,482	52,482
2013	25,000	26,482	51,482
2014	30,000	25,382	55,382
2015	30,000	24,183	54,183
2016	30,000	22,982	52,982
2017	30,000	21,783	51,783
2018	35,000	20,483	55,483
2019	35,000	19,083	54,083
2020	35,000	17,683	52,683
2021	40,000	16,183	56,183
2022	40,000	14,583	54,583
2023	45,000	12,882	57,882
2024	45,000	11,060	56,060
2025	45,000	9,012	54,012
2026	50,000	6,638	56,638
2027	50,000	4,138	54,138
2028	55,000	1,444	56,444
	<u>\$700,000</u>	<u>\$391,566</u>	<u>\$1,091,566</u>

2005 Note Payable to Elgin Sweeper Company, dated February 15, 2007 for \$130,000 to finance a capital lease/installment purchase of a new 2007 Elgin Street Sweeper.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$18,835	\$5,875	\$24,710
2009	19,886	4,825	24,711
2010	20,996	3,714	24,710
2011	22,168	2,543	24,711
2012	23,405	1,305	24,710
	<u>\$105,290</u>	<u>\$18,262</u>	<u>\$123,552</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

2004 Local Development Finance Authority Global Engine Bonds (Limited Tax General Obligation) (Federally Taxable) dated April 1, 2004 in the aggregate principal amount of \$3,200,000 for the acquisition and construction of various infrastructure improvements to assist in the Global Engine Project.

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$110,000	\$154,082	\$264,082
2009	115,000	149,639	264,639
2010	125,000	144,868	269,868
2011	130,000	139,637	269,637
2012	140,000	133,688	273,688
2013	145,000	126,987	271,987
2014	155,000	119,633	274,633
2015	165,000	111,632	276,632
2016	175,000	103,045	278,045
2017	185,000	93,819	278,819
2018	195,000	83,985	278,985
2019	210,000	73,350	283,350
2020	220,000	61,900	281,900
2021	235,000	49,670	284,670
2022	250,000	36,512	286,512
2023	260,000	22,550	282,550
2024	280,000	7,700	287,700
	<u>\$3,095,000</u>	<u>\$1,612,697</u>	<u>\$4,707,697</u>

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

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$20,000	\$17,425	\$37,425
2009	20,000	16,625	36,625
2010	20,000	15,825	35,825
2011	20,000	15,025	35,025
2012	25,000	14,125	39,125
2013	25,000	13,125	38,125
2014	25,000	12,125	37,125
2015	25,000	11,063	36,063
2016	25,000	9,937	34,937
2017	25,000	8,813	33,813
2018	25,000	7,687	32,687
2019	25,000	6,563	31,563
2020	25,000	5,437	30,437
2021	25,000	4,313	29,313
2022	25,000	3,125	28,125
2023	25,000	1,875	26,875
2024	25,000	625	25,625
	<u>\$405,000</u>	<u>\$163,713</u>	<u>\$568,713</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 11 Long-Term Debt (Continued)

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

<u>Year Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Requirements</u>
2008	\$ -	\$ 88,362	\$ 88,362
2009	100,000	86,613	186,613
2010	105,000	83,025	188,025
2011	110,000	79,262	189,262
2012	115,000	75,325	190,325
2013	120,000	71,063	191,063
2014	125,000	66,469	191,469
2015	125,000	61,781	186,781
2016	130,000	56,837	186,837
2017	135,000	51,538	186,538
2018	145,000	45,938	190,938
2019	150,000	40,037	190,037
2020	155,000	33,744	188,744
2021	160,000	27,050	187,050
2022	170,000	20,038	190,038
2023	180,000	12,375	192,375
2024	<u>185,000</u>	<u>4,162</u>	<u>189,162</u>
	<u>\$2,210,000</u>	<u>\$903,619</u>	<u>\$3,113,619</u>

The annual requirements to pay principal and interest on the long-term debt outstanding at February 28, 2006, excluding compensated absences, are as follows:

Business Type Activities:

<u>Fiscal Years</u>	<u>Enterprise Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 695,000	\$ 451,934	\$ 1,146,934
2009	735,000	422,014	1,157,014
2010	755,000	390,097	1,145,097
2011	585,000	362,970	947,970
2012	615,000	340,449	955,449
2013 - 2017	2,395,000	1,404,024	3,799,024
2018 - 2022	2,670,000	847,037	3,517,037
2023 - 2027	<u>2,040,000</u>	<u>201,750</u>	<u>2,241,750</u>
	<u>\$10,490,000</u>	<u>\$4,420,275</u>	<u>\$14,910,275</u>

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 11 Long-Term Debt (Concluded)
Governmental Activities:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 531,839	\$ 471,373	\$ 1,003,212
2009	604,487	451,539	1,056,026
2010	3,864,866	427,050	4,291,916
2011	483,294	203,360	686,654
2012	510,189	182,218	692,407
2013 - 2017	1,898,005	620,187	2,518,192
2018 - 2022	1,163,000	310,963	1,473,963
2023 - 2027	650,000	113,182	763,182
2028 - 2032	<u>150,000</u>	<u>3,582</u>	<u>153,582</u>
	<u>\$9,855,680</u>	<u>\$2,783,454</u>	<u>\$12,639,134</u>

Component Units:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 130,000	\$ 259,869	\$ 389,869
2009	235,000	252,877	487,877
2010	250,000	243,718	493,718
2011	260,000	233,924	493,924
2012	280,000	223,138	503,138
2013 - 2017	1,585,000	917,867	2,502,867
2018 - 2022	2,015,000	499,349	2,514,349
2023 - 2027	<u>955,000</u>	<u>49,287</u>	<u>1,004,287</u>
	<u>\$5,710,000</u>	<u>\$2,680,029</u>	<u>\$8,390,029</u>

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

Note 12 Water Department - 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.

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS
Year Ended February 28, 2007

Note 13 Segment Information for Enterprise Fund

The Village maintains one Enterprise Fund which provides water and sewer services to Village residents. Segment information for the year ended February 28, 2007 follows:

	<u>Combined</u>	<u>Water</u>	<u>Sewer</u>
Operating revenues	\$ 1,680,074	\$889,942	\$790,132
Depreciation and amortization	663,652	319,715	343,937
Operating income (loss)	(275,518)	(129,136)	(146,382)
Tax revenues	200,535	-	200,535
Net income (loss) before contributions and transfers	(259,872)	(184,014)	(75,858)
Property and equipment additions	185,956		
Bonds and contracts payables	10,490,000		
Net working capital	1,061,353		
Total assets	27,278,641		
Total net assets	16,568,736		

Note 14 Accrued Compensated Absences

The Village has accrued liability to its employees for accumulated vested vacation benefits. The Village's employment policy provides that vacation days can not be carried over. The period begins and ends on the employee's anniversary date.

The Village accrued vacation pay of \$27,283 in the Water and Sewage Disposal Enterprise Fund at February 28, 2007. Vacation pay of approximately \$60,149 relating to the governmental activities is reported in the government-wide financial statements. The Village's employment policy allows for sick days to be carried forward.

Note 15 Contingent Liability - Unemployment Compensation

Effective January 1, 1975 political subdivisions became subject to the Michigan Employment Security Act. The Village of Dundee, instead of paying regular contributions to the State Unemployment Fund, elected to make reimbursement payments. The Village is self-insuring its contingent liability for reimbursement payments, by making appropriations to the Unemployment Compensation Fund. It is not possible to estimate the potential expense from future unemployment claims.

Note 16 Contingent Liability - Federal and State Grants

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

VILLAGE OF DUNDEE

NOTES TO FINANCIAL STATEMENTS

Year Ended February 28, 2007

Note 17 Land Transfer Agreement

On January 21, 1992, under Act No. 425 of the Public Acts of Michigan of 1984, the Village of Dundee and Dundee Township approved a land transfer agreement to conditionally transfer Dundee Township property owned by Holnam, Inc. to the Village of Dundee.

This agreement is for the purposes of creating a LDFA district and capturing the taxes on any new construction and for general taxing purposes under the Village's taxing authority and for any other reason or purposes necessary to pay for the extensions of water and sewer services to a designated location to serve the Holnam, Inc. property and any and all costs connected with the extensions and with the sale of bonds, the proceeds from which will be used to pay for the extensions. This agreement shall terminate when the bonds for the water and sewer extensions and any and all costs associated with the extensions and when the issuance of the bonds have been paid in full from taxes captured from the transferred area through the LDFA.

For all other purposes, the property shall remain under the jurisdiction of the Township.

Note 18 Excess of Expenditures over Appropriations

During the year ended February 28, 2007, the Village incurred the following instance of expenditures in excess of the amounts appropriated.

Fund	Appropriation	Expenditures	Excess Expenditures
Parks and Recreation Fund	\$ 10,500	\$ 10,597	\$ 97
Historical Commission Fund	40,828	41,672	844
General Fund	1,186,783	1,354,778	167,994

Note 19 Risk Management

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

Note 20 Restatement of Net Assets

Beginning net assets for governmental activities have been restated to include a prior period adjustment for investment in capital assets net of related debt. Beginning net assets for governmental activities were restated as follows:

	Balance
	<u>February 28, 2006</u>
Governmental Net Assets as of February 28, 2006	\$5,243,578
Prior period adjustment for construction in progress	<u>691,061</u>
Governmental Net Assets, restated as of March 1, 2006	<u>\$5,934,639</u>

This restatement had no effect on change in net assets.

VILLAGE OF DUNDEE

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$1,255,924	\$1,255,924	\$1,123,282	(\$132,642)
Licenses and Permits:				
Business licenses and permits	45,110	45,110	51,757	6,647
State Grants:				
State revenue sharing	225,000	225,000	285,696	60,696
Liquor license fees	4,200	4,200	3,677	(523)
	229,200	229,200	289,373	60,173
Fines and Forfeits:				
Fines	4,500	4,500	6,807	2,307
Interest and Rentals:				
Interest	52,500	52,500	93,630	41,130
Equipment rental	80,000	80,000	82,548	2,548
Building rental	27,000	27,000	16,700	(10,300)
	159,500	159,500	192,878	33,378
Other Revenue:				
Other revenue	75,900	75,900	54,471	(21,429)
Total Revenues	1,770,134	1,770,134	1,718,568	(51,566)
Expenditures:				
Legislative:				
Village president and council	22,948	22,948	22,031	917
General government				
Village manager	82,915	82,915	92,269	(9,354)
Clerk - elections	1,200	1,200	687	513
Attorney	54,481	54,481	53,724	757
Independent accounting and auditing	10,300	10,300	5,500	4,800
Clerk - staff	114,510	114,510	112,386	2,124
Treasurer	9,789	9,789	8,640	1,149
Village hall and grounds	15,000	65,000	65,236	(236)
Community center	100	100	0	100
	288,295	338,295	338,442	(147)

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures (Concluded):				
Public Safety:				
Police protection	\$236,083	\$236,083	\$276,375	(\$40,292)
Blight inspector	2,140	2,140	1,938	202
Street lights	95,000	95,000	96,760	(1,760)
Building safety - fire warden	850	850	826	24
Engineering	103,282	109,282	111,007	(1,725)
	437,355	443,355	486,906	(43,551)
Public Works	214,485	214,485	373,860	(159,375)
Culture and Recreation:				
Economic development	92,700	92,700	112,235	(19,535)
Zoning Board of Appeals	0	0	123	(123)
Insurance (Bonds & Liability)	19,000	19,000	21,181	(2,181)
Total Expenditures	1,074,783	1,130,783	1,354,778	(223,995)
Excess (Deficiency) of Revenues over Expenditures	695,351	639,351	363,790	(275,561)
Other Financing Sources (Uses):				
Bond / loan proceeds	0	0	130,000	130,000
Operating transfers in	20,009	20,009	17,000	(3,009)
Operating transfers out	(715,360)	(715,360)	(449,384)	265,976
Total Other Financing Sources (Uses)	(695,351)	(695,351)	(302,384)	392,967
Net Change in Fund Balance	0	(56,000)	61,406	117,406
Fund Balances - Beginning of Year	0	56,000	2,113,883	2,057,883
Fund Balances - End of Year	\$0	\$0	\$2,175,289	\$2,175,289

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

MAJOR STREET FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State grants:				
Gas and weight tax	\$155,000	\$155,000	\$171,058	\$16,058
Interest	2,000	2,000	9,513	7,513
Total Revenues	157,000	157,000	180,571	23,571
Expenditures:				
Public works:				
Construction	55,960	55,960	3,019	52,941
Routing maintenance - roads and streets	117,678	117,678	147,224	(29,546)
Traffic services - maintenance	7,077	7,077	2,909	4,168
Winter maintenance	20,074	20,074	12,832	7,242
Roadside parks and parkways	22,416	22,416	15,589	6,827
Administration, engineering and recordkeeping	17,940	17,940	9,845	8,095
Total Expenditures	241,145	241,145	191,418	49,727
Excess (Deficiency) of Revenues over Expenditures	(84,145)	(84,145)	(10,847)	73,298
Other Financing Sources (Uses):				
Operating transfers in	113,345	113,345	70,000	(43,345)
Operating transfers out	(29,200)	(29,200)	(29,200)	0
Total Other Financing Sources (Uses)	84,145	84,145	40,800	(43,345)
Net Change in Fund Balance	0	0	29,953	29,953
Fund Balance - Beginning of Year	182,315	182,315	182,315	0
Fund Balance - End of Year	<u>\$182,315</u>	<u>\$182,315</u>	<u>\$212,268</u>	<u>\$29,953</u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

LOCAL STREET FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State grants:				
Gas and weight tax	\$57,000	\$57,000	\$62,686	\$5,686
Interest	400	400	2,792	2,392
Other income	0	0	1,300	1,300
	<u>57,400</u>	<u>57,400</u>	<u>66,778</u>	<u>9,378</u>
Expenditures:				
Public works:				
Construction - contractual services	51,265	51,265	3,115	48,150
Routing maintenance - roads and streets	93,295	93,295	73,038	20,257
Traffic services - maintenance	1,389	1,389	710	679
Winter maintenance	11,983	11,983	6,671	5,312
Administration, engineering and recordkeeping	7,759	7,759	9,845	(2,086)
	<u>165,691</u>	<u>165,691</u>	<u>93,379</u>	<u>72,312</u>
Excess (Deficiency) of Revenues over Expenditures	(108,291)	(108,291)	(26,601)	81,690
Other Financing Sources (Uses):				
Operating transfers in	108,291	108,291	50,000	(58,291)
Net Change in Fund Balance	0	0	23,399	23,399
Fund Balance - Beginning of Year	<u>68,802</u>	<u>68,802</u>	<u>68,802</u>	<u>0</u>
Fund Balance - End of Year	<u>\$68,802</u>	<u>\$68,802</u>	<u>\$92,201</u>	<u>\$23,399</u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

GENERAL FUND

DETAILED STATEMENT OF EXPENDITURES

BUDGET AND ACTUAL

Year Ended February 28, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Village President and Council:				
President's fees/council fees	\$15,000	\$15,000	\$14,393	\$607
FICA expense	1,148	1,148	1,101	47
Travel/conferences	3,500	3,500	1,745	1,755
Telephone	1,800	1,800	2,693	(893)
Miscellaneous	1,500	1,500	2,099	(599)
	<u>22,948</u>	<u>22,948</u>	<u>22,031</u>	<u>917</u>
Village Manager:				
Manager's salary	53,000	53,000	55,924	(2,924)
FICA expense	4,055	4,055	4,452	(397)
Hospitalization	15,000	15,000	19,619	(4,619)
Life insurance	360	360	400	(40)
Supplies and postage	1,500	1,500	1,168	332
Conference and seminars	1,000	1,000	0	1,000
Telephone	3,300	3,300	4,056	(756)
Travel expense	3,600	3,600	4,097	(497)
Dues	100	100	0	100
Miscellaneous	1,000	1,000	2,553	(1,553)
	<u>82,915</u>	<u>82,915</u>	<u>92,269</u>	<u>(9,354)</u>
Clerk-Elections	1,200	1,200	687	513
Attorney:				
Administrative wages	46,800	46,800	46,980	(180)
Legal advisor	3,000	3,000	1,968	1,032
FICA expense	3,581	3,581	3,594	(13)
Supplies and postage	100	100	465	(365)
Conference and seminars	1,000	1,000	717	283
	<u>54,481</u>	<u>54,481</u>	<u>53,724</u>	<u>757</u>
Independent Accounting and Audit:				
Accounting and auditing fees	10,300	10,300	5,500	4,800
Clerk-Staff:				
Fees elected	2,400	2,400	2,335	65
Wages clerical	54,000	54,000	54,575	(575)
FICA expense	4,314	4,314	4,384	(70)
Hospitalization insurance	23,000	23,000	17,963	5,037
Life insurance	396	396	184	212
Retirement contribution	3,000	3,000	0	3,000
Supplies and postage	8,000	8,000	15,184	(7,184)
Computer/software costs	1,500	1,500	2,484	(984)
Contractual	2,000	2,000	780	1,220
Telephone	2,600	2,600	2,751	(151)
Equipment maintenance	3,000	3,000	5,163	(2,163)

VILLAGE OF DUNDEE

GENERAL FUND

DETAILED STATEMENT OF EXPENDITURES
 BUDGET AND ACTUAL
 Year Ended February 28, 2007
 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Clerk-Staff (concluded):				
Publishing	\$4,500	\$4,500	\$4,549	(\$49)
Conferences and training	1,500	1,500	107	1,393
Miscellaneous	1,000	1,000	957	43
Dues	500	500	70	430
Travel	300	300	400	(100)
Capital outlay	2,500	2,500	500	2,000
	<u>114,510</u>	<u>114,510</u>	<u>112,386</u>	<u>2,124</u>
Treasurer:				
Treasurer's salary	6,000	6,000	6,000	0
FICA expense	689	689	459	230
Supplies	1,300	1,300	1,829	(529)
Tax bill preparation	200	200	352	(152)
Conferences and training	100	100	0	100
Equipment	1,500	1,500	0	1,500
	<u>9,789</u>	<u>9,789</u>	<u>8,640</u>	<u>1,149</u>
Village Hall and Grounds:				
Utilities	5,000	5,000	8,404	(3,404)
Repairs and maintenance	10,000	60,000	56,832	3,168
	<u>15,000</u>	<u>65,000</u>	<u>65,236</u>	<u>(236)</u>
Community Center:				
Building maintenance	100	100	0	100
Police Protection:				
Police salaries	5,000	5,000	5,112	(112)
FICA expense	383	383	391	(8)
Contractual services	206,000	206,000	237,666	(31,666)
Legal expenses	1,200	1,200	4,240	(3,040)
Auto maintenance	5,000	5,000	11,249	(6,249)
Gas and oil	8,000	8,000	9,764	(1,764)
Radio maintenance	500	500	681	(181)
Telephone	2,500	2,500	2,061	439
Office supplies	5,000	5,000	1,067	3,933
Miscellaneous	2,500	2,500	4,144	(1,644)
	<u>236,083</u>	<u>236,083</u>	<u>276,375</u>	<u>(40,292)</u>

VILLAGE OF DUNDEE

GENERAL FUND

DETAILED STATEMENT OF EXPENDITURES
 BUDGET AND ACTUAL
 Year Ended February 28, 2007
 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Blight Inspector:				
Fees	\$1,800	\$1,800	\$1,800	\$0
FICA expense	140	140	138	2
Supplies	100	100	0	100
Travel	100	100	0	100
	<u>2,140</u>	<u>2,140</u>	<u>1,938</u>	<u>202</u>
Street Lighting:				
Street lights	95,000	95,000	96,760	(1,760)
Building Safety - Fire Warden:				
Inspectors' fees	650	650	642	8
FICA expense	50	50	49	1
Supplies	150	150	135	15
	<u>850</u>	<u>850</u>	<u>826</u>	<u>24</u>
Engineering:				
Wages	60,000	66,000	77,062	(11,062)
FICA expense	4,590	4,590	6,185	(1,595)
Hospitalization insurance	18,900	18,900	15,655	3,245
Life insurance	192	192	147	45
Supplies	3,500	3,500	3,865	(365)
Computer/software costs	10,000	10,000	394	9,606
Conferences and Training	1,000	1,000	912	88
Telephone	1,500	1,500	2,840	(1,340)
Travel expense	3,100	3,100	3,805	(705)
Miscellaneous	500	500	142	358
	<u>103,282</u>	<u>109,282</u>	<u>111,007</u>	<u>(1,725)</u>

VILLAGE OF DUNDEE

GENERAL FUND

DETAILED STATEMENT OF EXPENDITURES

BUDGET AND ACTUAL
Year Ended February 28, 2007
(Concluded)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
Public Works:				
Maintenance wages	\$90,000	\$90,000	\$90,806	(\$806)
FICA expense	6,885	6,885	6,947	(62)
Hospitalization insurance	30,000	30,000	29,865	135
Life insurance	500	500	226	274
Retirement	2,000	2,000	0	2,000
Office supplies	1,300	1,300	778	522
Engineering	1,200	1,200	0	1,200
Conferences and Training	500	500	220	280
Telephone	4,000	4,000	4,813	(813)
Gas and Oil	12,000	12,000	10,968	1,032
Utilities	5,000	5,000	6,807	(1,807)
Building maintenance	6,000	6,000	37,442	(31,442)
Equipment maintenance	19,000	19,000	18,778	222
Tree trimming & tree purchases	25,000	25,000	26,766	(1,766)
Sanitation	1,500	1,500	1,746	(246)
Miscellaneous	1,000	1,000	1,894	(894)
Uniform expense	1,500	1,500	1,334	166
New equipment	7,100	7,100	134,470	(127,370)
	<u>214,485</u>	<u>214,485</u>	<u>373,860</u>	<u>(159,375)</u>
Economic Development:				
Contractual services	25,000	25,000	27,155	(2,155)
Conferences and training	100	100	25	75
Community promotion	15,000	15,000	17,322	(2,322)
Legal	8,000	8,000	0	8,000
Engineering	5,000	5,000	29,751	(24,751)
Dues	3,200	3,200	3,952	(752)
Contribution to MCIDC	2,500	2,500	2,500	0
Grounds	25,000	25,000	24,371	629
Supplies	150	150	0	150
Postage	100	100	0	100
Telephone	50	50	0	50
Publishing	500	500	378	122
Travel	400	400	0	400
Advertising	6,500	6,500	6,610	(110)
Miscellaneous	200	200	171	29
Equipment	1,000	1,000	0	1,000
	<u>92,700</u>	<u>92,700</u>	<u>112,235</u>	<u>(19,535)</u>
Zoning Board of Appeals	0	0	123	(123)
Insurance (Bonds & Liability)	19,000	19,000	21,181	(2,181)
Total Expenditures	<u>\$1,074,783</u>	<u>\$1,130,783</u>	<u>\$1,354,655</u>	<u>(\$223,872)</u>

VILLAGE OF DUNDEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

February 28, 2007

	Nonmajor Special Revenue Funds				Nonmajor Capital Improvement Funds	
	Municipal Street	Parks and Recreation	Historical Commission	Building Department	Economic Development	Sewer Separation and Street Rehabilitation
Assets						
Cash and money management accounts	\$984,156	\$1,946	\$2,620	\$76,377	\$169,279	\$15,329
Receivables:						
Delinquent taxes	45,688	0	0	0	0	0
Special assessments	0	0	0	0	0	0
Due from other funds	5,990	0	0	0	0	0
Accrued interest receivable	1,485	0	0	0	0	0
Total Assets	\$1,037,319	\$1,946	\$2,620	\$76,377	\$169,279	\$15,329
Liabilities						
Accounts payable/retainage	\$0	\$466	\$2,591	\$2,228	\$0	\$1,395
Accrued wages	0	0	0	2,341	0	0
Due to other funds	0	0	0	0	0	0
Deferred revenues	0	0	0	41,041	0	0
Total Liabilities	0	466	2,591	45,610	0	1,395
Fund Balance						
Reserved for capital improvements	0	0	0	0	169,279	13,934
Reserved for debt service	0	0	0	0	0	0
Unreserved	1,037,319	1,480	29	30,767	0	0
Total Fund Balances	1,037,319	1,480	29	30,767	169,279	13,934
Total Liabilities and Fund Balances	\$1,037,319	\$1,946	\$2,620	\$76,377	\$169,279	\$15,329

Nonmajor Debt Service Funds

1993 Special Assessment Bonds	1993 G.O. Bonds	1993 MTF Bonds	1994 DDA LTGO Bonds	1996 MTF Bonds	1996 Special Assessment Bonds	1998 G.O. Bonds	1998 Special Assessment Bonds	1999 Special Assessment Bonds	2000 Installment Loan
\$30,568	\$5,080	\$1,723	\$1,139	\$1,255	\$4,373	\$7,650	\$20,783	\$36,461	\$0
2,489	0	0	0	0	0	0	3,722	1,397	0
44,471	0	0	0	0	0	0	186,989	68,725	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
<u>\$77,528</u>	<u>\$5,080</u>	<u>\$1,723</u>	<u>\$1,139</u>	<u>\$1,255</u>	<u>\$4,373</u>	<u>\$7,650</u>	<u>\$211,494</u>	<u>\$106,583</u>	<u>\$0</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0
0	0	0	0	0	0	0	0	0	0
15,000	0	0	0	0	0	0	0	0	0
26,534	0	0	0	0	0	0	155,438	30,762	0
<u>41,534</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>155,438</u>	<u>35,762</u>	<u>0</u>
0	0	0	0	0	0	0	0	0	0
35,994	5,080	1,723	1,139	1,255	4,373	7,650	56,056	70,821	0
0	0	0	0	0	0	0	0	0	0
<u>35,994</u>	<u>5,080</u>	<u>1,723</u>	<u>1,139</u>	<u>1,255</u>	<u>4,373</u>	<u>7,650</u>	<u>56,056</u>	<u>70,821</u>	<u>0</u>
<u>\$77,528</u>	<u>\$5,080</u>	<u>\$1,723</u>	<u>\$1,139</u>	<u>\$1,255</u>	<u>\$4,373</u>	<u>\$7,650</u>	<u>\$211,494</u>	<u>\$106,583</u>	<u>\$0</u>

2000 Special Assessment Bonds	2001 Special Assessment Bonds	2004 Installment Purchase	2004 Special Assessment Bonds	2005 Capital Improvement G.O. Bonds	2005 Ford Installment Loan	2005 Vactor Installment Loan	2007 Sweeper Installment Purchase	Total Nonmajor Governmental Funds
\$50,830	\$47,427	\$0	\$4,137	\$1,012	\$0	\$0	\$0	\$1,462,145
0	3,396	0	12,073	0	0	0	0	68,765
120,000	106,570	0	107,282	0	0	0	0	634,037
0	0	0	0	0	0	0	0	5,990
0	0	0	0	0	0	0	0	1,485
<u>\$170,830</u>	<u>\$157,393</u>	<u>\$0</u>	<u>\$123,492</u>	<u>\$1,012</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,172,422</u>
\$0	\$263	\$0	\$0	\$0	\$0	\$0	\$0	\$11,943
0	0	0	0	0	0	0	0	2,341
0	0	0	0	0	0	0	0	15,000
90,000	95,663	0	91,957	0	0	0	0	531,395
90,000	95,926	0	91,957	0	0	0	0	560,679
0	0	0	0	0	0	0	0	183,213
80,830	61,467	0	31,535	1,012	0	0	0	358,935
0	0	0	0	0	0	0	0	1,069,595
80,830	61,467	0	31,535	1,012	0	0	0	1,611,743
<u>\$170,830</u>	<u>\$157,393</u>	<u>\$0</u>	<u>\$123,492</u>	<u>\$1,012</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,172,422</u>

VILLAGE OF DUNDEE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

Year Ended February 28, 2007

	Nonmajor Special Revenue Funds				Nonmajor Capital Improvement Funds	
	Municipal Street	Parks and Recreation	Historical Commission	Building Department	Economic Development	Sewer Separation and Street Rehabilitation
Revenues:						
Taxes	\$484,015	\$0	\$0	\$0	\$0	\$0
Special assessments	0	0	0	0	0	0
Interest and rentals	28,732	16	5,776	1,240	5,743	166
Licenses and permits	0	0	0	180,086	0	0
Program income	0	7,333	0	0	0	0
Other revenues	0	0	6,500	5,734	0	0
Total Revenues	512,747	7,349	12,276	187,060	5,743	166
Expenditures:						
Public safety	0	0	0	226,400	0	0
Public works	2,216	0	0	0	0	0
Culture and recreation	0	10,597	41,672	0	0	0
Capital outlay	0	0	0	0	2,060	0
Debt service	0	0	0	0	0	0
Total Expenditures	2,216	10,597	41,672	226,400	2,060	0
Excess (Deficiency) of Revenues over Expenditures	510,531	(3,248)	(29,396)	(39,340)	3,683	166
Other Financing Sources (Uses):						
Operating transfers in	0	3,000	26,500	0	18,257	0
Operating transfers (out)	(242,629)	0	0	0	0	0
Total Other Financing Sources (Uses)	(242,629)	3,000	26,500	0	18,257	0
Net Change in Fund Balances	267,902	(248)	(2,896)	(39,340)	21,940	166
Fund Balances - Beginning of Year	769,417	1,728	2,925	70,107	147,339	13,768
Fund Balances - End of Year	<u>\$1,037,319</u>	<u>\$1,480</u>	<u>\$29</u>	<u>\$30,767</u>	<u>\$169,279</u>	<u>\$13,934</u>

Nonmajor Debt Service Funds

1993 Special Assessment Bonds	1993 G.O. Bonds	1993 MTF Bonds	1994 DDA LTGO Bonds	1996 MTF Bonds	1996 Special Assessment Bonds	1998 G.O. Bonds	1998 Special Assessment Bonds	1999 Special Assessment Bonds	2000 Installment Loan
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19,768	0	0	0	0	0	0	33,865	42,662	0
4,295	232	103	164	13	140	41	13,962	6,840	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
24,063	232	103	164	13	140	41	47,827	49,502	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
28,825	45,880	29,245	169,855	0	0	13,465	46,138	45,235	13,727
28,825	45,880	29,245	169,855	0	0	13,465	46,138	45,235	13,727
(4,762)	(45,648)	(29,142)	(169,691)	13	140	(13,424)	1,689	4,267	(13,727)
0	45,780	29,200	169,835	0	0	13,455	0	0	13,727
0	0	0	0	0	0	0	0	0	0
0	45,780	29,200	169,835	0	0	13,455	0	0	13,727
(4,762)	132	58	144	13	140	31	1,689	4,267	0
40,756	4,948	1,665	995	1,242	4,233	7,619	54,367	66,554	0
\$35,994	\$5,080	\$1,723	\$1,139	\$1,255	\$4,373	\$7,650	\$56,056	\$70,821	\$0

2000 Special Assessment Bonds	2001 Special Assessment Bonds	2004 Installment Purchase	2004 Special Assessment Bonds	2005 Capital Improvement G.O. Bonds	2005 Ford Installment Loan	2005 Vactor Installment Loan	2007 Sweeper Installment Purchase	Total Nonmajor Governmental Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$484,015
30,000	10,657	0	15,326	0	0	0	0	152,278
10,328	7,856	0	6,045	257	0	0	0	91,949
0	0	0	0	0	0	0	0	180,086
0	0	0	0	0	0	0	0	7,333
0	0	0	0	0	0	0	0	12,234
40,328	18,513	0	21,371	257	0	0	0	927,895
0	0	0	0	0	0	0	0	226,400
0	0	0	0	0	0	0	0	2,216
0	0	0	0	0	0	0	0	52,269
0	0	0	0	0	0	0	0	2,060
38,710	22,926	21,093	19,886	176,137	22,641	22,393	24,710	740,866
38,710	22,926	21,093	19,886	176,137	22,641	22,393	24,710	1,023,811
1,618	(4,413)	(21,093)	1,485	(175,880)	(22,641)	(22,393)	(24,710)	(95,916)
0	0	21,093	0	167,400	22,641	22,393	24,710	577,991
0	0	0	0	0	0	0	0	(242,629)
0	0	21,093	0	167,400	22,641	22,393	24,710	335,362
1,618	(4,413)	0	1,485	(8,480)	0	0	0	239,446
79,212	65,880	0	30,050	9,492	0	0	0	1,372,297
<u>\$80,830</u>	<u>\$61,467</u>	<u>\$0</u>	<u>\$31,535</u>	<u>\$1,012</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,611,743</u>

VILLAGE OF DUNDEE

MUNICIPAL STREET FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$479,071	\$479,071	\$484,015	\$4,944
Interest	10,000	10,000	28,732	18,732
 Total Revenues	 489,071	 489,071	 512,747	 23,676
Expenditures:				
Public works:				
Construction	10,000	10,000	1,216	8,784
Administration and Engineering	1,200	1,200	1,000	200
 Total Expenditures	 11,200	 11,200	 2,216	 8,984
 Excess (Deficiency) of Revenues over Expenditures	 477,871	 477,871	 510,531	 32,660
 Other Financing Sources (Uses):				
Operating transfers out	(477,871)	(477,871)	(242,629)	235,242
 Net Change in Fund Balance	 0	 0	 267,902	 267,902
 Fund Balance - Beginning of Year	 769,417	 769,417	 769,417	 0
 Fund Balance - End of Year	 <u>\$769,417</u>	 <u>\$769,417</u>	 <u>\$1,037,319</u>	 <u>\$267,902</u>

VILLAGE OF DUNDEE

PARKS AND RECREATION FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest and rentals:				
Interest	\$5	\$5	\$16	\$11
Program income	6,000	5,500	7,333	1,833
Total Revenues	6,005	5,505	7,349	1,844
Expenditures:				
Culture and Recreation:				
Audit fees	600	600	600	0
Building maintenance	3,000	3,000	3,310	(310)
Programs	6,000	6,000	6,508	(508)
Park maintenance	100	100	45	55
Sanitation	300	300	134	166
Total Expenditures	10,000	10,000	10,597	(597)
Excess (Deficiency) of Revenues over Expenditures	(3,995)	(4,495)	(3,248)	1,247
Other Financing Sources (Uses):				
Operating transfers in	4,000	4,000	3,000	(1,000)
Net Change in Fund Balance	5	(495)	(248)	247
Fund Balance - Beginning of Year	0	500	1,728	1,228
Fund Balance - End of Year	\$5	\$5	\$1,480	\$1,475

VILLAGE OF DUNDEE

HISTORICAL COMMISSION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Interest and rentals:				
Interest	\$20	\$20	\$26	\$6
Rentals	8,000	8,000	5,750	(2,250)
Other income	6,500	6,500	6,500	0
Total Revenues	14,520	14,520	12,276	(2,244)
Expenditures:				
Culture and Recreation:				
Wages	12,000	12,000	11,228	772
FICA expense	918	918	859	59
Professional services	600	600	600	0
Bonds and insurance	35	35	137	(102)
Telephone & utilities	14,600	14,600	14,790	(190)
Community promotion	500	500	0	500
Building maintenance	8,000	8,000	7,847	153
Sanitation	3,000	3,000	2,839	161
Miscellaneous	175	1,175	3,372	(2,197)
Total Expenditures	39,828	40,828	41,672	(844)
Excess (Deficiency) of Revenues over Expenditures	(25,308)	(26,308)	(29,396)	(3,088)
Other Financing Sources (Uses):				
Operating transfers in	25,308	25,308	26,500	1,192
Net Change in Fund Balance	0	(1,000)	(2,896)	(1,896)
Fund Balance - Beginning of Year	0	1,000	2,925	1,925
Fund Balance - End of Year	\$0	\$0	\$29	\$29

VILLAGE OF DUNDEE

BUILDING DEPARTMENT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 Year Ended February 28, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Building fees	\$175,000	\$138,700	\$107,150	(\$31,550)
Electrical fees	30,000	30,000	33,577	3,577
Plumbing fees	25,000	25,000	14,930	(10,070)
Mechanical fees	25,000	25,000	19,779	(5,221)
Registration fees	2,000	2,000	2,670	670
Planning review fees	2,000	2,000	2,525	525
Zoning board authority fees	1,000	1,000	4,650	3,650
Interest	1,000	1,000	1,240	240
Other income	1,000	1,000	539	(461)
Total Revenues	262,000	225,700	187,060	(38,640)
Expenditures:				
Public safety				
Building department expenses	5,309	27,009	8,796	18,213
Village manager	22,707	22,707	25,482	(2,775)
Legal	16,794	16,794	16,858	(64)
Village clerk	12,918	12,918	12,888	30
Building inspector	88,285	88,285	75,735	12,550
Electrical inspector	29,316	29,316	22,963	6,353
Dangerous building hearing officer	423	423	0	423
Mechanical inspector	24,372	24,372	13,576	10,796
Plumbing inspector	19,577	19,577	14,981	4,596
Engineer	23,023	23,023	21,078	1,945
Zoning board of appeals	1,827	1,827	2,813	(986)
Planning commission	17,449	17,449	11,230	6,219
Total Expenditures	262,000	283,700	226,400	57,300
Net Change in Fund Balance	0	(58,000)	(39,340)	18,660
Fund Balance - Beginning of Year	0	58,000	70,107	12,107
Fund Balance - End of Year	\$0	\$0	\$30,767	\$30,767

VILLAGE OF DUNDEE

INDUSTRIAL PARK/EQUIPMENT PURCHASE FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenues:				
Interest	\$8,000	\$8,000	\$34,612	\$26,612
Federal grant	500,000	500,000	306,146	(193,854)
Other income	0	0	50	50
Total Revenues	508,000	508,000	340,808	(167,192)
Expenditures:				
Capital Outlay:				
Village hall and community center	1,016,000	1,016,000	1,600,065	(584,065)
Department of public works	172,000	172,000	46,500	125,500
Water, sewer and road system expansion	1,020,000	1,020,000	0	1,020,000
Audit	4,000	4,000	0	4,000
Police services	25,000	25,000	0	25,000
Riverwalk improvements	900,000	900,000	203,937	696,063
Economic Development:				
Pre-employment assessment and screening	0	0	306,164	(306,164)
Total Expenditures	3,137,000	3,137,000	2,156,666	980,334
Excess (Deficiency) of Revenues over Expenditures	(2,629,000)	(2,629,000)	(1,815,858)	813,142
Other Financing Sources (Uses):				
Bond / loan proceeds	2,400,000	2,400,000	2,000,000	(400,000)
Operating transfers in	45,000	45,000	44,769	(231)
Total Other Financing Sources (Uses)	2,445,000	2,445,000	2,044,769	(400,231)
Net Change in Fund Balance	(184,000)	(184,000)	228,911	412,911
Fund Balance - Beginning of Year	159,000	159,000	1,197,418	1,038,418
Fund Balance - End of Year	<u>(\$25,000)</u>	<u>(\$25,000)</u>	<u>\$1,426,329</u>	<u>\$1,451,329</u>

See accompanying notes to the basic financial statements

VILLAGE OF DUNDEE

ECONOMIC DEVELOPMENT CORPORATION - CONSTRUCTION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$2,000	\$2,000	\$5,743	\$3,743
Total Revenues	2,000	2,000	5,743	3,743
Expenditures:				
Capital outlay	19,500	19,500	2,060	17,440
Total Expenditures	19,500	19,500	2,060	17,440
Excess (Deficiency) of Revenues over Expenditures	(17,500)	(17,500)	3,683	21,183
Other Financing Sources (Uses):				
Operating transfers in	17,300	17,300	18,257	957
Net Change in Fund Balance	(200)	(200)	21,940	22,140
Fund Balance - Beginning of Year	147,339	147,339	147,339	0
Fund Balance - End of Year	<u>\$147,139</u>	<u>\$147,139</u>	<u>\$169,279</u>	<u>\$22,140</u>

VILLAGE OF DUNDEE

SEWER SEPARATION AND STREET REHABILITATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$70	\$70	\$166	\$96
Expenditures:	0	0	0	0
Net Change in Fund Balance	70	70	166	96
Fund Balance - Beginning of Year	13,768	13,768	13,768	0
Fund Balance - End of Year	\$13,838	\$13,838	\$13,934	\$96

GENERAL DEBT SERVICE FUNDS

General Debt Service Funds

To account for payments of interest and principal on long-term general obligation debt other than that payable by an enterprise fund. There are eighteen (18) debt service funds to account for:

1. 1993 Special Assessment Street Bonds
2. 1993 General Obligation Bonds
3. 1993 Michigan Transportation Fund (MTF) Bonds
4. 1994 Downtown Development Authority Bonds
5. 1996 Michigan Transportation Fund (MTF) Bonds
6. 1996 Special Assessment Bonds (Outer Drive Drainage)
7. 1998 General Obligation Bonds
8. 1998 Special Assessment Bonds (Stowell/Commerce)
9. 1999 Special Assessment Bonds (Oak/Waterstradt)
10. 2000 Special Assessment Bonds (Industrial Complex)
11. 2000 Installment Loan (Monroe Bank & Trust)
12. 2001 Special Assessment Bonds (Rawson Street)
13. 2004 Installment Purchase (141 Riley)
14. 2004 Special Assessment Bonds (First Street)
15. 2005 Capital Improvement General Obligation Bonds
16. 2005 Ford Installment Loan (Ford Motor Credit)
17. 2005 Vactor Installment Loan (United Bank & Trust)
18. 2007 Sweeper Installment Purchase

VILLAGE OF DUNDEE

1993 SPECIAL ASSESSMENT BONDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessment	\$19,200	\$19,200	\$19,768	\$568
Interest	4,700	4,700	4,295	(405)
 Total Revenues	 23,900	 23,900	 24,063	 163
Expenditures:				
Debt service:				
Principal	25,000	25,000	25,000	0
Interest	3,425	3,425	3,425	0
Agent fees	420	420	400	20
 Total Expenditures	 28,845	 28,845	 28,825	 20
 Net Change in Fund Balance	 (4,945)	 (4,945)	 (4,762)	 183
 Fund Balance - Beginning of Year	 5,000	 5,000	 40,756	 35,756
 Fund Balance - End of Year	 <u>\$55</u>	 <u>\$55</u>	 <u>\$35,994</u>	 <u>\$35,939</u>

VILLAGE OF DUNDEE

1993 GENERAL OBLIGATION BONDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$100	\$100	\$232	\$132
Expenditures:				
Debt service:				
Principal	40,000	40,000	40,000	0
Interest	5,480	5,480	5,480	0
Agent fees	400	400	400	0
Total Expenditures	<u>45,880</u>	<u>45,880</u>	<u>45,880</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	(45,780)	(45,780)	(45,648)	132
Other Financing Sources (Uses):				
Operating transfers in	<u>45,780</u>	<u>45,780</u>	<u>45,780</u>	<u>0</u>
Net Change in Fund Balance	0	0	132	132
Fund Balance - Beginning of Year	<u>4,948</u>	<u>4,948</u>	<u>4,948</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$4,948</u></u>	<u><u>\$4,948</u></u>	<u><u>\$5,080</u></u>	<u><u>\$132</u></u>

VILLAGE OF DUNDEE

1993 MICHIGAN TRANSPORTATION FUND (MTF) BONDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$45	\$45	\$103	\$58
Expenditures:				
Debt service:				
Principal	25,000	25,000	25,000	0
Interest	3,845	3,845	3,845	0
Agent fees	400	400	400	0
Total Expenditures	<u>29,245</u>	<u>29,245</u>	<u>29,245</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	(29,200)	(29,200)	(29,142)	58
Other Financing Sources (Uses):				
Operating transfers in	<u>29,200</u>	<u>29,200</u>	<u>29,200</u>	<u>0</u>
Net Change in Fund Balance	0	0	58	58
Fund Balance - Beginning of Year	<u>1,665</u>	<u>1,665</u>	<u>1,665</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$1,665</u></u>	<u><u>\$1,665</u></u>	<u><u>\$1,723</u></u>	<u><u>\$58</u></u>

VILLAGE OF DUNDEE

1994 DOWNTOWN DEVELOPMENT AUTHORITY (LTGO) BONDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$20	\$20	\$164	\$144
Expenditures:				
Debt service:				
Principal	110,000	110,000	110,000	0
Interest	57,605	57,605	59,605	(2,000)
Agent fees	250	250	250	0
Total Expenditures	<u>167,855</u>	<u>167,855</u>	<u>169,855</u>	<u>(2,000)</u>
Excess (Deficiency) of Revenues over Expenditures	(167,835)	(167,835)	(169,691)	(1,856)
Other Financing Sources (Uses):				
Operating transfers in	<u>167,835</u>	<u>167,835</u>	<u>169,835</u>	<u>2,000</u>
Net Change in Fund Balance	0	0	144	144
Fund Balance - Beginning of Year	<u>995</u>	<u>995</u>	<u>995</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$995</u></u>	<u><u>\$995</u></u>	<u><u>\$1,139</u></u>	<u><u>\$144</u></u>

VILLAGE OF DUNDEE

1996 MICHIGAN TRANSPORTATION FUND (MTF) BONDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$0	\$0	\$13	\$13
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	13	13
Fund Balance - Beginning of Year	<u>1,242</u>	<u>1,242</u>	<u>1,242</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$1,242</u></u>	<u><u>\$1,242</u></u>	<u><u>\$1,255</u></u>	<u><u>\$13</u></u>

VILLAGE OF DUNDEE

1996 SPECIAL ASSESSMENT BONDS (OUTER DRIVE DRAINAGE)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Interest	\$0	\$0	\$140	\$140
Expenditures:				
	0	0	0	0
Net Change in Fund Balance	0	0	140	140
Fund Balance - Beginning of Year	4,233	4,233	4,233	0
Fund Balance - End of Year	\$4,233	\$4,233	\$4,373	\$140

VILLAGE OF DUNDEE

1998 GENERAL OBLIGATION BONDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$10	\$10	\$41	\$31
Expenditures:				
Debt service:				
Principal	10,000	10,000	10,000	0
Interest	3,465	3,465	3,465	0
Total Expenditures	13,465	13,465	13,465	0
Excess (Deficiency) of Revenues over Expenditures	(13,455)	(13,455)	(13,424)	31
Other Financing Sources (Uses):				
Operating transfers in	13,455	13,455	13,455	0
Net Change in Fund Balance	0	0	31	31
Fund Balance - Beginning of Year	7,619	7,619	7,619	0
Fund Balance - End of Year	<u>\$7,619</u>	<u>\$7,619</u>	<u>\$7,650</u>	<u>\$31</u>

VILLAGE OF DUNDEE

1998 SPECIAL ASSESSMENT BONDS (STOWELL/COMMERCE)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Special assessment	\$31,475	\$31,475	\$33,865	\$2,390
Interest	13,259	13,259	13,962	703
Total Revenues	44,734	44,734	47,827	3,093
Expenditures:				
Debt service:				
Principal	35,000	35,000	35,000	0
Interest	11,138	11,138	11,138	0
Agent fees	160	160	0	160
Total Expenditures	46,298	46,298	46,138	160
Net Change in Fund Balance	(1,564)	(1,564)	1,689	3,253
Fund Balance - Beginning of Year	1,564	1,564	54,367	52,803
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$56,056</u>	<u>\$56,056</u>

VILLAGE OF DUNDEE

1999 SPECIAL ASSESSMENT BONDS (OAK/WATERSTRADT)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Special assessment	\$37,862	\$37,862	\$42,662	\$4,800
Interest	6,303	6,303	6,840	537
	44,165	44,165	49,502	5,337
Expenditures:				
Debt service:				
Principal	40,000	40,000	40,000	0
Interest	4,960	4,960	4,960	0
Agent fees	295	295	275	20
	45,255	45,255	45,235	20
Net Change in Fund Balance	(1,090)	(1,090)	4,267	5,357
Fund Balance - Beginning of Year	1,090	1,090	66,554	65,464
Fund Balance - End of Year	\$0	\$0	\$70,821	\$70,821

VILLAGE OF DUNDEE

2000 SPECIAL ASSESSMENT BONDS (INDUSTRIAL COMPLEX)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Special assessment	\$30,000	\$30,000	\$30,000	\$0
Interest	9,640	9,640	10,328	688
Total Revenues	39,640	39,640	40,328	688
Expenditures:				
Debt service:				
Principal	30,000	30,000	30,000	0
Interest	8,435	8,435	8,435	0
Agent fees	295	295	275	20
Total Expenditures	38,730	38,730	38,710	20
Net Change in Fund Balance	910	910	1,618	708
Fund Balance - Beginning of Year	79,212	79,212	79,212	0
Fund Balance - End of Year	<u>\$80,122</u>	<u>\$80,122</u>	<u>\$80,830</u>	<u>\$708</u>

VILLAGE OF DUNDEE

2000 INSTALLMENT LOAN (MONROE BANK & TRUST)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:	\$0	\$0	\$0	\$0
Expenditures:				
Debt service:				
Principal	13,000	13,000	13,000	0
Interest	727	727	727	0
Total Expenditures	<u>13,727</u>	<u>13,727</u>	<u>13,727</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	(13,727)	(13,727)	(13,727)	0
Other Financing Sources (Uses):				
Operating transfers in	<u>13,727</u>	<u>13,727</u>	<u>13,727</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance - Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

VILLAGE OF DUNDEE

2001 SPECIAL ASSESSMENT BONDS (RAWSON STREET)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessment	\$10,657	\$10,657	\$10,657	\$0
Interest	6,889	6,889	7,856	967
Total Revenues	17,546	17,546	18,513	967
Expenditures:				
Debt service:				
Principal	15,000	15,000	15,000	0
Interest	7,677	7,677	7,676	1
Agent fees	270	270	250	20
Total Expenditures	22,947	22,947	22,926	21
Net Change in Fund Balance	(5,401)	(5,401)	(4,413)	988
Fund Balance - Beginning of Year	5,401	5,401	65,880	60,479
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$61,467</u>	<u>\$61,467</u>

VILLAGE OF DUNDEE

2004 INSTALLMENT PURCHASE (141 RILEY)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:	\$0	\$0	\$0	\$0
Expenditures:				
Debt service:				
Principal	15,554	15,554	15,554	0
Interest	5,539	5,539	5,539	0
Total Expenditures	21,093	21,093	21,093	0
Excess (Deficiency) of Revenues over Expenditures	(21,093)	(21,093)	(21,093)	0
Other Financing Sources (Uses):				
Operating transfers in	21,093	21,093	21,093	0
Net Change in Fund Balance	0	0	0	0
Fund Balance - Beginning of Year	0	0	0	0
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

VILLAGE OF DUNDEE

2004 SPECIAL ASSESSMENT BONDS (FIRST STREET)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Special assessment	\$15,500	\$15,500	\$15,326	(\$174)
Interest	5,668	5,668	6,045	377
Total Revenues	21,168	21,168	21,371	203
Expenditures:				
Debt service:				
Principal	15,000	15,000	15,000	0
Interest	4,712	4,712	4,712	0
Agent fees	200	200	174	26
Total Expenditures	19,912	19,912	19,886	26
Net Change in Fund Balance	1,256	1,256	1,485	229
Fund Balance - Beginning of Year	30,050	30,050	30,050	0
Fund Balance - End of Year	<u>\$31,306</u>	<u>\$31,306</u>	<u>\$31,535</u>	<u>\$229</u>

VILLAGE OF DUNDEE

2005 CAPITAL IMPROVEMENT GENERAL OBLIGATION BONDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$60	\$60	\$257	\$197
Expenditures:				
Debt service:				
Principal	100,000	100,000	100,000	0
Interest	76,137	76,137	76,137	0
Agent fees	200	200	0	200
Total Expenditures	<u>176,337</u>	<u>176,337</u>	<u>176,137</u>	<u>200</u>
Excess (Deficiency) of Revenues over Expenditures	(176,277)	(176,277)	(175,880)	397
Other Financing Sources (Uses):				
Operating transfers in	<u>167,837</u>	<u>167,837</u>	<u>167,400</u>	<u>(437)</u>
Net Change in Fund Balance	(8,440)	(8,440)	(8,480)	(40)
Fund Balance - Beginning of Year	<u>8,500</u>	<u>8,500</u>	<u>9,492</u>	<u>992</u>
Fund Balance - End of Year	<u><u>\$60</u></u>	<u><u>\$60</u></u>	<u><u>\$1,012</u></u>	<u><u>\$952</u></u>

VILLAGE OF DUNDEE

2005 FORD INSTALLMENT LOAN (FORD MOTOR COMPANY)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:	\$0	\$0	\$0	\$0
Expenditures:				
Debt service:				
Principal	19,453	19,453	19,453	0
Interest	3,188	3,188	3,188	0
Agent fees	0	0	0	0
Total Expenditures	<u>22,641</u>	<u>22,641</u>	<u>22,641</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	(22,641)	(22,641)	(22,641)	0
Other Financing Sources (Uses):				
Operating transfers in	<u>22,641</u>	<u>22,641</u>	<u>22,641</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance - Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

VILLAGE OF DUNDEE

2005 VACTOR INSTALLMENT LOAN (UNITED BANK & TRUST)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:	\$0	\$0	\$0	\$0
Expenditures:				
Debt service:				
Principal	16,000	16,000	16,000	0
Interest	6,393	6,393	6,393	0
Total Expenditures	<u>22,393</u>	<u>22,393</u>	<u>22,393</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	(22,393)	(22,393)	(22,393)	0
Other Financing Sources (Uses):				
Operating transfers in	22,393	22,393	22,393	0
Net Change in Fund Balance	0	0	0	0
Fund Balance - Beginning of Year	0	0	0	0
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

VILLAGE OF DUNDEE

2007 SWEEPER INSTALLMENT PURCHASE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended February 28, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:	\$0	\$0	\$0	\$0
Expenditures:				
Debt service:				
Principal	<u>0</u>	<u>0</u>	<u>24,710</u>	<u>(24,710)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>24,710</u>	<u>(24,710)</u>
Excess (Deficiency) of Revenues over Expenditures	0	0	(24,710)	(24,710)
Other Financing Sources (Uses):				
Operating transfers in	<u>0</u>	<u>0</u>	<u>24,710</u>	<u>24,710</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance - Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

VILLAGE OF DUNDEE

INTERNAL SERVICE FUNDS UNEMPLOYMENT COMPENSATION

COMBINING STATEMENT OF NET ASSETS

February 28, 2007

	General	Water and Sewage	Totals
Assets			
Cash and money management accounts	\$32,752	\$24,349	\$57,101
Fund Equity			
Net Assets - unrestricted	\$32,752	\$24,349	\$57,101

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS

Year Ended February 28, 2007

Operating income	\$0	\$0	\$0
Operating expenses	0	0	0
Operating Income	0	0	0
Non-Operating Revenues (Expenses)			
Interest income	1,519	1,129	2,648
Total Non-operating Revenues (Expenses)	1,519	1,129	2,648
Net Income (Loss)	1,519	1,129	2,648
Net Assets - Beginning of Year	31,233	23,220	54,453
Net Assets - End of Year	\$32,752	\$24,349	\$57,101

VILLAGE OF DUNDEE

INTERNAL SERVICE FUNDS UNEMPLOYMENT COMPENSATION

COMBINING STATEMENT OF CASH FLOWS

Year Ended February 28, 2007

	General	Water and Sewage	Totals
Cash Flows from Operating Activities:			
Operating income	\$0	\$0	\$0
Cash Flows from Non-Capital Financing Activities:			
Transfer to General Fund	0	0	0
Cash Flows from Investing Activities:			
Interest income	1,519	1,129	2,648
Net Increase in Cash and Cash Equivalents	1,519	1,129	2,648
Cash and Cash Equivalents - Beginning of Year	31,233	23,220	54,453
Cash and Cash Equivalents - End of Year	\$32,752	\$24,349	\$57,101

VILLAGE OF DUNDEE

FIDUCIARY FUNDS

COMBINING STATEMENT OF ASSETS AND LIABILITIES
February 28, 2007

	Agency Funds			Totals
	Accounts Payable	Payroll	Tax Collection	
Assets				
Cash and money management accounts	\$1,038	\$4,105	\$28,177	\$33,320
Total Assets	\$1,038	\$4,105	\$28,177	\$33,320
Liabilities				
Due to other funds	\$0	\$37	\$21,933	\$21,970
Other liabilities	1,038	4,068	6,244	11,350
Total Liabilities	\$1,038	\$4,105	\$28,177	\$33,320

VILLAGE OF DUNDEE

FIDUCIARY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
 Year Ended February 28, 2007

ACCOUNTS PAYABLE FUND

	<u>Balance</u> <u>February 28, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>February 28, 2007</u>
Assets				
Cash and money management accounts	\$1,061	\$3,034,926	\$3,034,949	\$1,038
Due from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>\$1,061</u></u>	<u><u>\$3,034,926</u></u>	<u><u>\$3,034,949</u></u>	<u><u>\$1,038</u></u>
Liabilities				
Due to other funds	\$0	\$0	\$0	\$0
Other liabilities	<u>1,061</u>	<u>3,034,926</u>	<u>3,034,949</u>	<u>1,038</u>
Total Liabilities	<u><u>\$1,061</u></u>	<u><u>\$3,034,926</u></u>	<u><u>\$3,034,949</u></u>	<u><u>\$1,038</u></u>

PAYROLL FUND

Assets				
Cash and money management accounts	\$4,319	\$1,708,222	\$1,708,436	\$4,105
Due from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>\$4,319</u></u>	<u><u>\$1,708,222</u></u>	<u><u>\$1,708,436</u></u>	<u><u>\$4,105</u></u>
Liabilities				
Due to other funds	\$0	\$37	\$0	\$37
Other liabilities	<u>4,319</u>	<u>1,708,185</u>	<u>1,708,436</u>	<u>4,068</u>
Total Liabilities	<u><u>\$4,319</u></u>	<u><u>\$1,708,222</u></u>	<u><u>\$1,708,436</u></u>	<u><u>\$4,105</u></u>

TAX COLLECTION FUND

Assets				
Cash and money management accounts	\$6,256	\$2,639,204	\$2,617,283	\$28,177
Due from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>\$6,256</u></u>	<u><u>\$2,639,204</u></u>	<u><u>\$2,617,283</u></u>	<u><u>\$28,177</u></u>
Liabilities				
Due to other funds	\$3,009	\$2,633,451	\$2,614,527	\$21,933
Other liabilities	<u>3,247</u>	<u>8,871</u>	<u>5,874</u>	<u>6,244</u>
Total Liabilities	<u><u>\$6,256</u></u>	<u><u>\$2,642,322</u></u>	<u><u>\$2,620,401</u></u>	<u><u>\$28,177</u></u>

VILLAGE OF DUNDEE

FIDUCIARY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
Year Ended February 28, 2007
(Concluded)

TOTALS - ALL AGENCY FUNDS

	<u>Balance</u> <u>February 28, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>February 28, 2007</u>
Assets				
Cash and money management accounts	\$11,636	\$7,382,352	\$7,360,668	\$33,320
Due from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 <u><u>\$11,636</u></u>	 <u><u>\$7,382,352</u></u>	 <u><u>\$7,360,668</u></u>	 <u><u>\$33,320</u></u>
 Liabilities				
Due to other funds	\$3,009	\$2,633,488	\$2,614,527	\$21,970
Other liabilities	<u>8,627</u>	<u>4,751,982</u>	<u>4,749,259</u>	<u>11,350</u>
 Total Liabilities	 <u><u>\$11,636</u></u>	 <u><u>\$7,385,470</u></u>	 <u><u>\$7,363,786</u></u>	 <u><u>\$33,320</u></u>

VILLAGE OF DUNDEE

DOWNTOWN DEVELOPMENT AUTHORITY - COMPONENT UNIT

COMBINING BALANCE SHEET/STATEMENT OF NET ASSETS

February 28, 2007

	<u>Total Modified Accrual Basis</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets			
Cash and money management account	\$495,430	\$0	\$495,430
Due from other governments	212,408	0	212,408
Accrued interest receivable	1,169	0	1,169
Total Assets	<u>\$709,007</u>	<u>0</u>	<u>709,007</u>
Liabilities	\$0	0	0
Fund Equity			
Unreserved	<u>709,007</u>	<u>(709,007)</u>	<u>0</u>
Total Fund Equity	<u>709,007</u>	<u>(709,007)</u>	<u>0</u>
Total Liabilities and Fund Equity	<u>\$709,007</u>		
Net Assets			
Unrestricted		<u>709,007</u>	<u>709,007</u>
Total Net Assets		<u>\$709,007</u>	<u>\$709,007</u>

VILLAGE OF DUNDEE

DOWNTOWN DEVELOPMENT AUTHORITY - COMPONENT UNIT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE/NET ASSETS
 Year Ended February 28, 2007

	<u>Total Modified Accrual Basis</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Taxes	\$312,177	\$0	\$312,177
Interest	19,369	0	19,369
Total Revenues	331,546	0	331,546
Expenditures:			
Public works	101,572	0	101,572
Total Expenditures	101,572	0	101,572
Excess (Deficiency) of Revenues over Expenditures	229,974	0	229,974
Other Financing Sources (Uses):			
Operating transfers out	(174,835)	0	(174,835)
Total Other Financing Sources (Uses)	(174,835)	0	(174,835)
Change in Fund Balance/Net Assets	55,139	0	55,139
Fund Balance/Net Assets - Beginning of Year	653,868	0	653,868
Fund Balance/Net Assets - End of Year	<u>\$709,007</u>	<u>\$0</u>	<u>\$709,007</u>

VILLAGE OF DUNDEE

LOCAL DEVELOPMENT FINANCE AUTHORITY WATER PLANT - COMPONENT UNIT
BALANCE SHEET/STATEMENT OF NET ASSETS
February 28, 2007

	<u>Modified Accrual Basis</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets			
Cash and money management account	\$545,334	\$0	\$545,334
Due from other governments	190,746	0	190,746
Accrued interest receivable	1,198	0	1,198
Total Assets	<u>\$737,278</u>	<u>0</u>	<u>737,278</u>
Liabilities			
Accounts payable	\$0	0	0
Fund Equity			
Unreserved	<u>737,278</u>	<u>(737,278)</u>	<u>0</u>
Total Fund Equity	<u>737,278</u>	<u>(737,278)</u>	<u>0</u>
Total Liabilities and Fund Equity	<u>\$737,278</u>		
Net Assets			
Unrestricted		<u>737,278</u>	<u>737,278</u>
Total Net Assets		<u>\$737,278</u>	<u>\$737,278</u>

VILLAGE OF DUNDEE

LOCAL DEVELOPMENT FINANCE AUTHORITY WATER PLANT - COMPONENT UNIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE/NET ASSETS
Year Ended February 28, 2007

	Modified Accrual Basis	Adjustments	Statement of Activities
Revenues:			
Taxes	\$335,578	\$0	\$335,578
Interest	18,820	0	18,820
Total Revenues	354,398	0	354,398
Expenditures:			
Public works	600	0	600
Total Expenditures	600	0	600
Excess (Deficiency) of Revenues over Expenditures	353,798	0	353,798
Other Financing Sources (Uses):			
Operating transfers out	(291,476)	0	(291,476)
Total Other Financing Sources (Uses)	(291,476)	0	(291,476)
Change in Fund Balance/Net Assets	62,322	0	62,322
Fund Balances/ Net Assets - Beginning of Year	674,956	0	674,956
Fund Balances/ Net Assets - End of Year	<u>\$737,278</u>	<u>\$0</u>	<u>\$737,278</u>

VILLAGE OF DUNDEE

LOCAL DEVELOPMENT FINANCE AUTHORITY GLOBAL ENGINE ALLIANCE - COMPONENT UNIT
COMBINING BALANCE SHEET/STATEMENT OF NET ASSETS

February 28, 2007

	Global Engine Alliance	LDFA #3 Debt	Account Group General Long-term Debt	Total Modified Accrual Basis	Adjustments	Statement of Net Assets
Assets						
Cash and money management account	\$1,038,529	\$82,815	\$0	\$1,121,344	\$0	\$1,121,344
Due from other governments	266,305	0	0	266,305	0	266,305
Bond issuance costs (net of amortizations)	0	0	0	0	122,900	122,900
Capital assets (net of depreciation)	0	0	0	0	6,153,072	6,153,072
Amount available in Debt Service Fund	0	0	82,815	82,815	(82,815)	0
Amount to be provided for long-term debt	0	0	5,627,185	5,627,185	(5,627,185)	0
Total Assets	\$1,304,834	\$82,815	\$5,710,000	\$7,097,649	\$565,972	\$7,663,621
Liabilities						
Accounts payable	\$43,546	\$0	\$0	\$43,546	\$0	\$43,546
Debt with government commitment net of bond discount	0	0	5,710,000	5,710,000	(27,200)	5,682,800
Total Liabilities	43,546	0	5,710,000	5,753,546	(27,200)	5,726,346
Fund Equity						
Reserved for debt service	0	82,815	0	82,815	(82,815)	0
Unreserved	1,261,288	0	0	1,261,288	(1,261,288)	0
Total Fund Equity	1,261,288	82,815	0	1,344,103	(1,344,103)	0
Total Liabilities and Fund Equity	\$1,304,834	\$82,815	\$5,710,000	\$7,097,649		
Net Assets						
Invested in capital assets (net of related debt)					443,072	443,072
Restricted for debt service					82,815	82,815
Unrestricted					1,411,388	1,411,388
Total Net Assets					\$1,937,275	\$1,937,275

VILLAGE OF DUNDEE

LOCAL DEVELOPMENT FINANCE AUTHORITY GLOBAL ENGINE ALLIANCE - COMPONENT UNIT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE/NET ASSETS
 Year Ended February 28, 2007

	Global Engine Alliance	LDFA #3 Debt	Total Modified Accrual Basis	Adjustments	Statement of Activities
Revenues:					
Taxes	\$911,025	\$0	\$911,025	\$0	\$911,025
Interest	9,704	1,156	10,860	0	10,860
Total Revenues	920,729	1,156	921,885	0	921,885
Expenditures:					
Public works	10,362	0	10,362	20,732	31,094
Debt service	0	396,728	396,728	(116,000)	280,728
Total Expenditures	10,362	396,728	407,090	(95,268)	311,822
Excess (Deficiency) of Revenues over Expenditures	910,367	(395,572)	514,795	95,268	610,063
Other Financing Sources (Uses):					
Operating transfers in	0	394,117	394,117	(394,117)	0
Operating transfers out	(858,653)	0	(858,653)	394,117	(464,536)
Total Other Financing Sources (Uses)	(858,653)	394,117	(464,536)	0	(464,536)
Change in Fund Balance/Net Assets	51,714	(1,455)	50,259	95,268	145,527
Fund Balances/ Net Assets - Beginning of Year	1,209,574	84,270	1,293,844	497,904	1,791,748
Fund Balances/ Net Assets - End of Year	\$1,261,288	\$82,815	\$1,344,103	\$593,172	\$1,937,275

VILLAGE OF DUNDEE

ECONOMIC DEVELOPMENT CORPORATION - COMPONENT UNIT
 COMBINING BALANCE SHEET/STATEMENT OF NET ASSETS
 February 28, 2007

	Economic Development	EDC Debt	Account Group General Long-term Debt	Total Modified Accrual Basis	Adjustments	Statement of Net Assets
Assets						
Cash and money management account	\$108,433	\$210,164	\$0	\$318,597	\$0	\$318,597
Due from other governments	0	153,844	0	153,844	0	153,844
Capital assets (net of depreciation)	0	0	0	0	10,950,731	10,950,731
Amount available in Debt Service Fund	0	0	364,008	364,008	(364,008)	0
Amount to be provided for long-term debt	0	0	11,971,057	11,971,057	(11,971,057)	0
Total Assets	<u>\$108,433</u>	<u>\$364,008</u>	<u>\$12,335,065</u>	<u>\$12,807,506</u>	<u>(\$1,384,334)</u>	<u>\$11,423,172</u>
Liabilities						
Debt with government commitment	\$0	\$0	\$12,335,065	\$12,335,065	0	\$12,335,065
Total Liabilities	0	0	12,335,065	12,335,065	0	12,335,065
Fund Equity						
Reserved for debt service	0	364,008	0	364,008	(364,008)	0
Unreserved	108,433	0	0	108,433	(108,433)	0
Total Fund Equity	<u>108,433</u>	<u>364,008</u>	<u>0</u>	<u>472,441</u>	<u>(472,441)</u>	<u>0</u>
Total Liabilities and Fund Equity	<u>\$108,433</u>	<u>\$364,008</u>	<u>\$12,335,065</u>	<u>\$12,807,506</u>		
Net Assets						
Invested in capital assets (net of related debt)					(1,384,334)	(1,384,334)
Restricted for debt service					364,008	364,008
Unrestricted					108,433	108,433
Total Net Assets (Deficit)					<u>(\$911,893)</u>	<u>(\$911,893)</u>

VILLAGE OF DUNDEE

ECONOMIC DEVELOPMENT CORPORATION - COMPONENT UNIT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE/NET ASSETS
 Year Ended February 28, 2007

	Economic Development Corporation	2001 EDC Debt	Total Modified Accrual Basis	Adjustments	Statement of Activities
Revenues:					
Taxes	\$0	\$153,843	\$153,843	\$0	\$153,843
Interest and rentals	3,415	6,138	9,553	0	9,553
Other income	1,427	0	1,427	0	1,427
Total Revenues	4,842	159,981	164,823	0	164,823
Expenditures:					
Public works	5,872	0	5,872	276,868	282,740
Debt service	0	318,910	318,910	0	318,910
Total Expenditures	5,872	318,910	324,782	276,868	601,650
Excess (Deficiency) of Revenues over Expenditures	(1,030)	(158,929)	(159,959)	(276,868)	(436,827)
Other Financing Sources (Uses):					
Operating transfers in	0	193,057	193,057	0	193,057
Total Other Financing Sources (Uses)	0	193,057	193,057	0	193,057
Change in Fund Balance/Net Assets	(1,030)	34,128	33,098	(276,868)	(243,770)
Fund Balances/ Net Assets (Deficit) - Beginning of Year	109,463	329,880	439,343	(1,107,466)	(668,123)
Fund Balances/ Net Assets (Deficit) - End of Year	<u>\$108,433</u>	<u>\$364,008</u>	<u>\$472,441</u>	<u>(\$1,384,334)</u>	<u>(\$911,893)</u>

VILLAGE OF DUNDEE

BROWNFIELD REDEVELOPMENT AUTHORITY- COMPONENT UNIT
BALANCE SHEET/STATEMENT OF NET ASSETS
February 28, 2007

	<u>Modified Accrual Basis</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets			
Cash and money management account	\$311,675	\$0	\$311,675
Due from other governments	83,591	0	83,591
Total Assets	<u>\$395,266</u>	<u>0</u>	<u>395,266</u>
Liabilities	\$0	\$0	\$0
Fund Equity			
Reserved for debt service	395,266	(395,266)	0
Total Fund Equity	<u>395,266</u>	<u>(395,266)</u>	<u>0</u>
Total Liabilities and Fund Equity	<u>\$395,266</u>		
Net Assets			
Restricted for debt service		<u>395,266</u>	<u>395,266</u>
Total Net Assets		<u>\$395,266</u>	<u>\$395,266</u>

VILLAGE OF DUNDEE

**BROWNFIELD REDEVELOPMENT AUTHORITY - COMPONENT UNIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE/NET ASSETS
Year Ended February 28, 2007**

	<u>Modified Accrual Basis</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Taxes	\$134,746	\$0	\$134,746
Interest and rentals	9,349	0	9,349
Total Revenues	144,095	0	144,095
 Expenditures:			
Public works	43,853	0	43,853
Change in Fund Balance/Net Assets	100,242	0	100,242
Fund Balance/ Net Assets - Beginning of Year	295,024	0	295,024
Fund Balance/ Net Assets - End of Year	<u>\$395,266</u>	<u>\$0</u>	<u>\$395,266</u>



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

Council Members:

In planning and performing our audit of the financial statements of the Village of Dundee as of and for the year ended February 28, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Village's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 new auditing standard, SAS No. 112 "*Communicating Internal Control Related Matters Identified in an Audit*" is effective for audits after December 15, 2006. Auditors are now required to inform management and those charged with governance about significant deficiencies and material weaknesses that come to our attention.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, we identified the following deficiency in internal control that we consider to be a significant deficiency:

Financial Statements

As is common with smaller and medium sized entities, the Village has relied on its independent auditors to assist in the preparation of the government-wide financial statements and footnotes. The Village has decided it is more cost effective to outsource the preparation of its financial statements to the auditors. The result is that the Village does not have controls in place to prepare the government-wide financial statements and footnotes in accordance with accounting principles generally accepted in the United States of America. The Village does carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

Village Council
Village of Dundee

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This communication is intended solely for the information and use of the Village Council, management, others within the organization, and the applicable departments of the State of Michigan, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Cooley Hill
Woblgamuth + Carlton

July 19, 2007



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

Report of Comments and Recommendations

Council Members:

Our audit of the financial statements of the Village of Dundee for the year ended February 28, 2007, was made in accordance with auditing standards generally accepted in the United States of America. These standards require, in addition to obtaining competent evidential matter through inspection, observation, inquiry and confirmation, that we determine that existing internal controls, accounting procedures and accounting records are adequate to allow us to express an opinion the financial statements of the Village.

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

Statement on Auditing Standards SAS No. 112

The Auditing Standards Board of the AICPA issued statement SAS No. 112 *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for audits after December 15, 2006. This standard requires us to report significant deficiencies and material weaknesses identified in planning and performing our audit. Please see attached our report of Significant Deficiencies and Material Weaknesses.

New Government Accounting Standard Board (GASB) Statement No. 40

Government Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment to GASB Statement No. 3 applies to all state and local governments. This statement lists disclosures required for risk management as the government's investment addresses five categories of risk: credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. If the government is exposed to any types of these risks, the government should briefly describe the deposit or investment policies related to such risks or disclose that there are no policies.

We recommend that the Village review its investment policy and specify acceptable levels of risk in the following five categories:

- Credit Risk
- Custodial Credit Risk
- Concentration of Credit Risk
- Interest Rate Risk
- Foreign Currency Risk

Rating agencies may be used to measure credit risk such as Standard and Poor and Moody's.

A review of the current investment policy should determine if the above mentioned risks are present in the policy and validate the effectiveness of the investment policy and investment risk.

Improper and Illegal Actions

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

Interfund Receivable, Payable and Transfers

Interfund receivable and payable balances as of February 28, 2007 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Major Street Fund	\$21,774	
Local Street Fund	12,772	
Tax	14,162	
Water & Sewer	36,668	
1993 S. A.	15,000	
Payroll Fund	37	
Special Revenue Funds:		
Municipal Highway Fund:		
Tax	5,990	
Major Street Fund:		
General Fund		\$21,774
Local Street Fund:		
General Fund		12,772
Agency Funds:		
Taxes:		
General Fund		14,162
Municipal Highway Fund		5,990
Water/Sewer		1,781
Payroll Fund:		
General Fund		37
Debt Fund:		
1993 S.A. Debt:		
General Fund		15,000
Water/Sewer:		
Tax	1,781	
General Fund	<u> </u>	<u>36,668</u>
	<u>\$108,184</u>	<u>\$108,184</u>

Excess of Expenditures over Appropriations

During the year ended February 28, 2007, the Village incurred the following instance of expenditures in excess of the amounts appropriated.

<u>Fund</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
Parks and Recreation Fund	\$ 10,500	\$ 10,597	\$ 97
Historical Commission	40,828	41,672	844
General Fund	1,186,783	1,354,777	167,994

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

Cash Flow Analysis

In recent years, because of the proliferation of construction projects and other improvements which have been financed by a mixture of bond issues, grants and installment purchase agreements, Village finances have become extremely complex. As of February 28, 2007, the Village had twenty bond issues, one bank note and installment purchase agreements and the loan from Cabelas.

Repayment of the Village's outstanding indebtedness which was \$38,390,745 as of February 28, 2007, is scheduled from various sources, such as special assessments, water and sewer department resources, LDFA captured taxes, debt millage and general Village revenues. These sources must adhere to various legal restrictions.

We recommend that the Village prepare a projected cash flow analysis for its fiscal year ended February 28, 2007 and that it continue to monitor cash flows on a monthly basis.

It has been a pleasure to serve you and we appreciate the cooperation we received during the audit. We are available to meet with you at any time to answer any questions concerning this letter or the 2006-2007 audit report.

Very truly yours,

Cooley Hecht
Wohlgenuth & Carlton

July 19, 2007