

Annual Comprehensive Financial Report



The Town of Dundee, Florida

For the Year Ended
September 30, 2021

TOWN OF DUNDEE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2021

Prepared by:

Finance Department of the Town of Dundee

TABLE OF CONTENTS (continued...)

Introductory Section

Principal Town Officials	i
Organizational Chart.....	ii
Letter of Transmittal.....	iii
Certificate of Achievement.....	vii

Financial Section

Report of Independent Certified Public Accountant.....	1
Management's Discussion and Analysis (required supplementary information)	3

Basic Financial Statements:

Government Wide Financial Statements:

Statement of Net Position	11
Statement of Activities	12

Fund Financial Statements:

Balance Sheet – Governmental Funds.....	13
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.....	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds to the Statement of Activities.....	16
Statement of Net Position – Proprietary Fund.....	17
Statement of Revenues, Expenses and Change in Fund Net Position – Proprietary Fund	18
Statement of Cash Flows – Proprietary Fund.....	19
Statement of Fiduciary Net Position – Fiduciary Funds	21
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	22

Notes to Financial Statements	23
-------------------------------------	----

Required Supplementary Information

Budgetary Comparison Schedule – General Fund.....	45
Budgetary Comparison Schedule – Impact Fee Special Revenue Fund	46

TABLE OF CONTENTS (continued...)

Statistical Section

Net Position by Component	47
Changes in Net Position.....	48
Fund Balances of Governmental Funds.....	50
Changes in Fund Balances of Governmental Funds	51
Assessed and Estimated Actual Value of Taxable Property	52
Property Tax Rates – Direct and Overlapping Governments	53
Principal Property Taxpayers.....	54
Property Tax Levies and Collections.....	55
Ratios of Outstanding Debt by Type.....	56
Ratios of General Bonded Debt Outstanding.....	57
Direct and Overlapping Governmental Activities Debt.....	58
Legal Debt Margin Information	59
Pledged-Revenue Coverage	60
Demographic and Economic Statistics	62
Principal Employers.....	63
Full-Time Equivalent Town Government Employees by Function	64
Operating Indicators by Function.....	65
Capital Asset Statistics by Function.....	66

Other Reports

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	67
Management Letter	69
Independent Accountant’s Report on Compliance with Section 218.415, <i>Florida Statutes</i>	71
Schedule of Findings and Recommendations	72

Other Information

Letter of Management’s Response	75
---------------------------------------	----



PRINCIPAL TOWN OFFICIALS

MAYOR

Samuel Pennant

Term Expiration: April 2026

COMMISSIONER SEAT #1

Bertram Goddard

Term Expiration April 2026

COMMISSIONER SEAT #2

Steven Glenn

Term Expiration: April 2025

COMMISSIONER SEAT #3

Willie Quarles

Term Expiration: April 2026

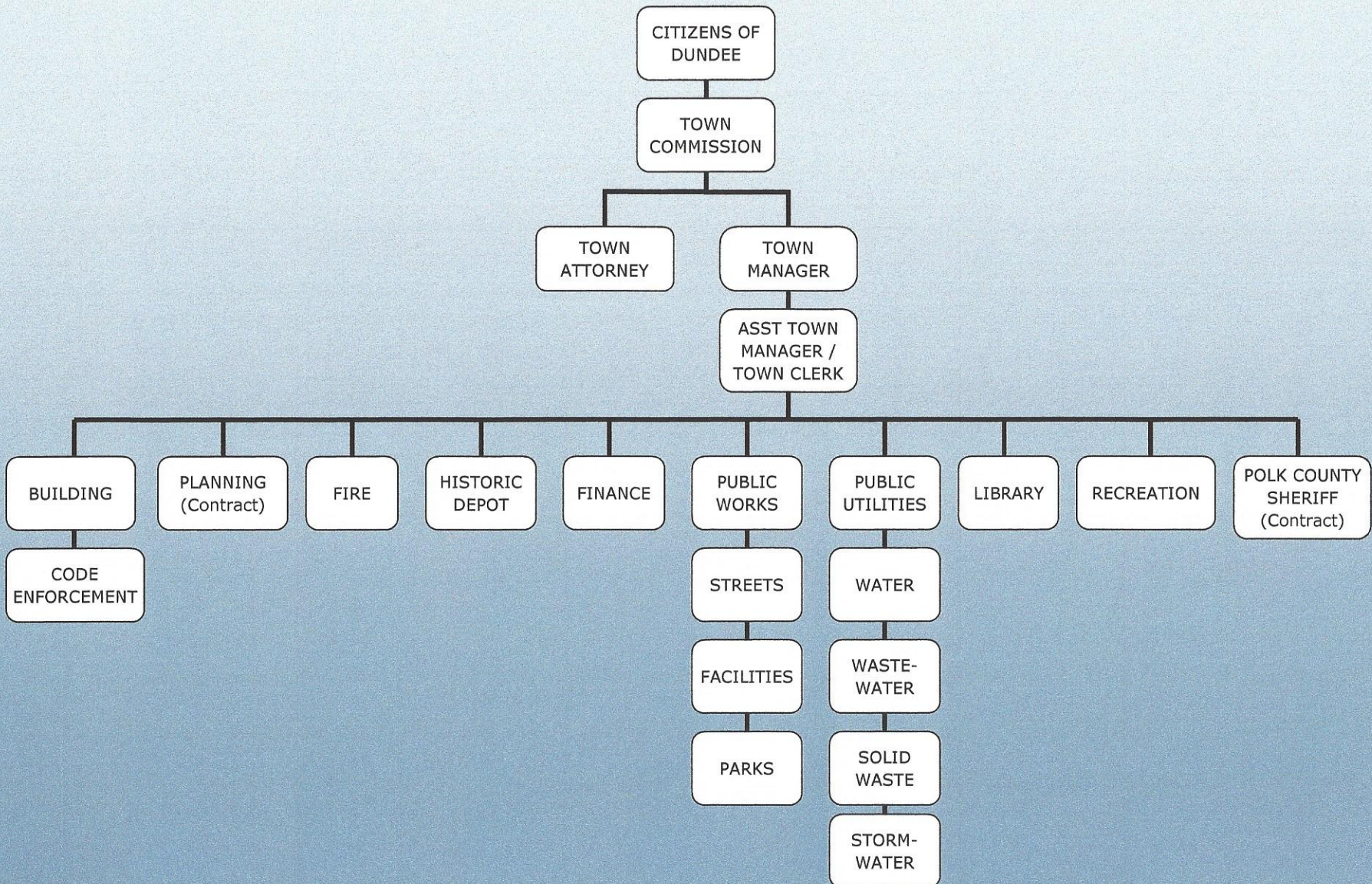
COMMISSIONER SEAT #4

Mary Richardson

Term Expiration: April 2025

Town of Dundee, Florida

Organizational Chart



Town of Dundee



April 25, 2022

To the Honorable Mayor, Members of the Town Commission and
Citizens of the Town of Dundee, Florida

We are pleased to present the Town of Dundee Annual Comprehensive Financial Report (ACFR). This report addresses the Town's finances for the fiscal year ended September 30, 2021. The organization, form, and contents of this report, plus the accompanying financial statements and statistical tables, were prepared in accordance with the requirements of Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, and the Governmental Finance Officers Association. In addition to meeting legal the requirements, this report also reflects the Town's commitment to full financial disclosure. We encourage you to thoroughly read the report and the important items it addresses.

This report has been prepared by the Finance Department of the Town of Dundee, which assumes full responsibility for the completeness and accuracy of the information contained herein. To provide a reasonable basis for making these assertions, management established a comprehensive internal control framework designed to protect the Town's assets from loss, theft or misuse. Furthermore, the Town compiled sufficient reliable information for the preparation of the Town's financial statements in conformity with Accounting Principles Generally Accepted in the United States of America (U.S. GAAP). Because the cost of internal controls should not outweigh its benefits, the Town of Dundee's comprehensive framework of internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, the financial report is complete and reliable in all material respects.

State law requires that a complete set of financial statements reporting the Town of Dundee's financial position and results of activities be published within nine months of the fiscal year end. The Town has contracted with a licensed certified public accountant, Brynjulfson, CPA, to conduct the audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ending September 30, 2021, were free of any material misstatements. The independent auditor concluded there was reasonable basis for rendering an unmodified opinion that the Town of Dundee's financial statements were fairly presented and in conformity with U.S. GAAP. The report of the independent certified public accountant is presented as the first component in the financial section of the report.

U.S. GAAP requires management provide a narrative introduction, overview, and analysis to accompany the basis financial statements in the form of Management's Discussion and Analysis (MD & A). This letter of transmittal is designed to complement the MD& A and should be read in conjunction with it. The Town of Dundee's MD & A can be found following the report of the independent certified public accountant.

Town Organization

The Town of Dundee, Florida is a municipal corporation of the State of Florida, incorporated on December 16, 1924. Located in East Polk County, the 2016 population of Dundee was estimated to be near 4,123. Encompassing approximately 12 miles, the Town has been empowered to levy a property tax on real estate and personal property located within its boundaries. It has also been granted authority by State Statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Town Commission.

The Town of Dundee operates under Commission-Manager form of government. The Town Commission is the legislative body for the Town of Dundee and is made up of five residents elected by the Town voters, which are responsible for enacting ordinances, budget adoption, appointing committee members, and hiring the Town Manager, Attorney, and Auditor. The Town Manager, who serves as Chief Executive Officer, is responsible for carrying out the policies and ordinances enacted by the Commission and for the oversight of the day-to-day operations of the City. Furthermore, the manager is tasked with hiring the department heads of the various town departments.

The Town of Dundee is a full-service town and strives to provide exceptional customer service and quality of life for the community. Our community is a dynamic and attractive municipality characterized by a combination of residential and commercial developments. Services of the town include fire/rescue protection, water, wastewater, stormwater, roads and street maintenance, recreational and cultural activities, and general administrative services. Citizens enjoy the personalization of services provided by the town employees.

Local Economy

The current economic conditions, environment, and local indicators show an upswing in property values within the Town of Dundee. The housing market affects revenues greatly due to the tax base being mainly residential. Permit activity continues to grow, and new houses are being built throughout the city.

Long Term Financial Planning

Long term financial planning requires the town to prepare a five-year capital improvement plan that identifies both capital improvements and related revenue sources. Capital requirements of enterprise operations are financed from capital reserves and from the users of the services through the fees. Additionally, capital requirements of the general fund operations are financed from the general fund revenues or reserve funds. Areas of new construction or capital costs associated with growth are funded with impact fees.

Currently, the unassigned fund balance in the General fund is \$1,679,145. The Town Commission and Town Manager continue to work on the needs of the community, while at the same time meeting the needs in a cost-effective and efficient manner. The following projects are planned for the next year and beyond:

- Capital Road Improvement
- Expansion of the Development Services Division
- Creation of New Sanitation Department
- Purchase of Sanitation Vehicles
- Purchase of multiple pieces of Stormwater Equipment
- Installation of Security Fences around town properties
- Replacement of Water Main Line at Lake Marie Blvd.
- Purchase of a new Building Department facility
- Upgrade of Town's Water and Sewer Treatment Plants
- Seeking more grant opportunities for major projects

Major Initiatives

During the fiscal year 2021, the Town of Dundee achieved many significant accomplishments in furtherance of the goals and objectives established by the Commission, while securing the Town's infrastructure:

- Purchase of Ground Penetrating Radar (GPR)
- Purchased of Vacuum Trailer Unit
- Re-surfaced multiples roads
- Redesigned and Rebuilt Lake Menzie Docks

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Dundee, Florida for its Annual Comprehensive Financial Report (ACFR) for the fiscal year end of September 30, 2020. This was the second year the Town received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, which satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is only valid for one year. We believe the current ACFR continues to meet the requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The in-house preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Other Town departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult.

Appreciation must also be expressed to the City's auditors, Mike Brynjulfson and Jordan Ortiz of Brynjulfson, CPA whose suggestions and attention to detail enhanced the quality of this report.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Tandra S. Davis". The signature is written in a cursive, flowing style.

Tandra S. Davis, MBA, Town Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Dundee
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the Town Commission
Town of Dundee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the Town of Dundee, Florida as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dundee, Florida, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Change in Accounting Principles – As described in Note 15 to the financial statements, in 2021 the Town adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84- *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Change in Accounting Principles – As described in Note 15 to the financial statements, effective October 1, 2020, the Town changed the reporting of impact fee activity that was previously reported within the Town’s general fund and enterprise fund by creating a new special revenue fund to account for the impact fee activity. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information - Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 through 10 and the budgetary comparison information beginning on page 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information - Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dundee, Florida’s basic financial statements. The introductory, statistical and other information sections are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The introductory, statistical and other information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards - In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2022, on our consideration of the Town of Dundee, Florida’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Dundee, Florida’s internal control over financial reporting and compliance.

Other Reporting Required by Chapter 10.550, Rules of the Auditor General - In accordance with *Chapter 10.550, Rules of the Auditor General*, we have also issued our report dated April 25, 2022 on our examination of compliance with requirements of Section 218.415, *Florida Statutes*. The purpose of that report is to describe the scope of our examination and the issuance of an opinion on the Town of Dundee, Florida’s compliance with requirements of Section 218.415, *Florida Statutes*.

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
April 25, 2022

As management of the Town of Dundee, Florida (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements beginning on page 11.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$23,824,695 (net position). Of this amount, \$2,414,894 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors which compares to \$1,972,033 at the end of the prior year, an improvement of \$442,861 or 22%.
- The government's total net position increased by \$3,119,413 as a result of current year operations and decreased by \$62,893 as a correction of an error to prior year accumulated depreciation on the Town's capital assets.
- As of the close of the current fiscal year, the Town's general fund (governmental fund level) reported ending fund balance of \$5,967,185 (compared to \$3,822,969 at the prior year end). Of this total amount, \$1,679,145 is available for spending at the government's discretion (unassigned and assigned fund balance) compared to \$1,362,614 at the end of the prior year, a \$316,531 improvement or 23%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town'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.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner like a private-sector business.

The *Statement of Net Position* presents information on all the Town's assets, liabilities, and deferred inflows and outflows of resources with the residual measure reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported in a manner like the approach used by private-sector business in that revenue is recognized when earned or established criteria are satisfied, and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the year, and expenses are reported even though they may not have used cash during the current fiscal year.

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, building/zoning and code enforcement, law enforcement, fire control, streets, library, parks, the historic depot and recreation. The business-type activities of the Town include water, sewer, stormwater, and sanitation.

The government-wide financial statements can be found by referencing the table of contents of this report.

Fund Financial Statements

Funds are a group of self-balancing accounts. Funds are used to account for specific activities of the Town, rather than reporting on the Town as a whole. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds - Governmental fund financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance, which is further categorized as to whether it is nonspendable, restricted, committed, assigned or unassigned. Unassigned fund balance generally indicates the amount that can be used to finance the next fiscal year's activities. The statement of revenues, expenditures and changes in fund balances for governmental funds reports only those revenues and expenditures that were collected or paid during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in the governmental funds are also reported in the governmental activities' columns of the government-wide financial statements. However, because of the difference in accounting basis and measurement focus used to prepare fund financial statements and government-wide financial statements, there are often significant differences between the totals presented.

For this reason, there is an analysis after the balance sheet that reconciles the total fund balances to the amount of net position presented in the governmental activities' column on the statement of net position. Also, there is an analysis after the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities' column in the statement of activities.

The Town has two governmental funds which are the general fund and the impact fee special revenue fund which can be found by referencing the table of contents of this report.

Proprietary Funds - Proprietary fund financial statements consist of a statement of net position, statement of revenues, expenses, and changes in net position and statement of cash flows. These statements are prepared on an accounting basis and measurement focus that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into enterprise funds and internal service funds.

Fund Financial Statements (concluded)

Proprietary Funds (concluded)

Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses a single enterprise fund for its water, sewer, stormwater and sanitation departments. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the government's various functions. The Town does not use internal service funds.

The proprietary fund financial statements can be found by referencing the table of contents of this report.

Fiduciary Funds - Assets held by the Town for other parties, either as a trustee or as an agent, and that cannot be used to finance the Town's own operating programs are reported as fiduciary funds. The Town reports one fiduciary fund, a custodial fund to account for impact fees collected on behalf of Polk County, Florida (the "County"). These funds are collected on behalf of the County as new construction takes place within the Town and remitted to the County monthly.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found by referencing the table of contents of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* consisting of the budgetary comparison schedule of the major governmental funds which can be found by referencing the table of contents of this report.

TOWN OF DUNDEE, FLORIDA

Management's Discussion and Analysis

September 30, 2021

Government-wide Financial Analysis

The following is a summary of the information presented in the statement of net position which can be located by referencing the table of contents of this report.

**Statement of Net Position (Summary)
as of September 30,**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 7,884,406	\$ 4,457,474	\$ 1,701,340	\$ 2,316,803	\$ 9,585,746	\$ 6,774,277
Capital assets	6,512,692	5,742,677	16,058,421	15,821,713	22,571,113	21,564,390
Total assets	14,397,098	10,200,151	17,759,761	18,138,516	32,156,859	28,338,667
Current and other liabilities	1,875,852	508,873	710,559	1,013,959	2,586,411	1,522,832
Long-term liabilities	1,270,127	1,445,386	4,475,626	4,602,274	5,745,753	6,047,660
Total liabilities	3,145,979	1,954,259	5,186,185	5,616,233	8,332,164	7,570,492
Net position:						
Net investment in capital assets	4,971,719	4,306,284	11,779,430	11,230,768	16,751,149	15,537,052
Restricted	4,240,739	2,460,355	417,913	798,735	4,658,652	3,259,090
Unrestricted	2,038,661	1,479,253	376,233	492,780	2,414,894	1,972,033
Total net position	\$ 11,251,119	\$ 8,245,892	\$ 12,573,576	\$ 12,522,283	\$ 23,824,695	\$ 20,768,175

Seventy (70%) of the Town's net position reflects its net investment in capital assets (e.g., land, buildings, sewer and water system, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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 the capital assets themselves cannot be used to liquidate these liabilities.

Twenty percent (20%) of the Town's net position represents resources that are subject to external restrictions on how they may be used and are reported as restricted net position. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

TOWN OF DUNDEE, FLORIDA

Management's Discussion and Analysis

September 30, 2021

The following is a summary of the information presented in the Statement of Activities which can be located by referencing the table of contents of this report.

**Statement of Activities (Summary)
For the year ended September 30,**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 605,827	\$ 368,078	\$ 2,950,986	\$ 2,618,384	\$ 3,556,813	\$ 2,986,462
Operating grants and contributions	558,948	352,605	-	-	558,948	352,605
Capital grants and contributions	1,416,791	682,122	425,503	414,730	1,842,294	1,096,852
<i>General revenues:</i>						
Property taxes	1,693,391	1,575,546	-	-	1,693,391	1,575,546
Other taxes	1,314,988	1,143,265	-	-	1,314,988	1,143,265
State shared revenue	545,241	435,628	-	-	545,241	435,628
Other	21,108	116,346	229	1,353	21,337	117,699
Total revenues	6,156,294	4,673,590	3,376,718	3,034,467	9,533,012	7,708,057
Expenses:						
<i>Governmental Activities:</i>						
General government	882,583	961,881	-	-	882,583	961,881
Library	166,823	189,777	-	-	166,823	189,777
Law enforcement	952,992	934,877	-	-	952,992	934,877
Fire control	414,606	397,912	-	-	414,606	397,912
Building and zoning	213,241	90,452	-	-	213,241	90,452
Streets	512,028	511,394	-	-	512,028	511,394
Parks and recreation	311,712	243,735	-	-	311,712	243,735
Historic train depot	34,917	27,007	-	-	34,917	27,007
Code enforcement	86,905	68,361	-	-	86,905	68,361
Interest on long-term debt	68,308	77,089	-	-	68,308	77,089
<i>Business-type Activities:</i>						
Water	-	-	1,266,030	1,247,656	1,266,030	1,247,656
Sewer	-	-	745,177	760,407	745,177	760,407
Stormwater	-	-	117,629	130,883	117,629	130,883
Sanitation	-	-	640,648	594,127	640,648	594,127
Total expenses	3,644,115	3,502,485	2,769,484	2,733,073	6,413,599	6,235,558
Increase (decrease) in net position before transfers	2,512,179	1,171,105	607,234	301,394	3,119,413	1,472,499
Transfers	107,961	(300,000)	(107,961)	300,000	-	-
Change in net position	2,620,140	871,105	499,273	601,394	3,119,413	1,472,499
Net position - Beg.	8,245,892	7,374,787	12,522,283	11,920,889	20,768,175	19,295,676
Restatement	385,087	-	(447,980)	-	(62,893)	-
Net position - End	\$ 11,251,119	\$ 8,245,892	\$ 12,573,576	\$ 12,522,283	\$ 23,824,695	\$ 20,768,175

Governmental activities:

Governmental activities' change in net position for 2021 was an increase of \$2,512,179, before transfers, as compared to an increase of \$1,171,105 for the prior year.

- Total revenue increased by \$1,482,704 (32%). Property taxes increased by \$117,845 (7%) due to increased property values within the Town and capital grants and contributions increased by \$734,669 (108%) mainly due to increased impact fee revenue of \$746,000 due to increased construction within the Town.

Governmental activities: (concluded)

- Total expenses increased by \$141,630 (4%) mainly due to payroll and payroll related expenses that increased by approximately \$162,000 (16%) and general increases/decreases in a large variety of diverse expense categories within the governmental activities.

Program revenues increased 84%, general revenues of the governmental activities increased from \$3,270,785 in 2020 to \$3,574,728 in 2021, a 9% increase. Total governmental activities expenses increased 4% from \$3,502,485 in 2020 to \$3,664,115 in 2021.

Business-type activities:

Business-type activities' change in net position for 2021 was an increase of \$607,234, before transfers, as compared to an increase of \$301,394 for the prior year.

The improving change in net position is mainly due to an increase in total revenue of \$342,251 or 11%, mainly due to an increase of \$332,602 (13%) in charges for services revenue due to more customers being added to the Town's utility system because of increased construction within the Town.

Expenses increased by \$36,411 or 1%.

Financial Analysis of the Government's Funds

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

As of the end of the current fiscal year, the Town's governmental funds (the general fund and the impact fee special revenue fund) reported ending fund balance of \$5,967,185, an increase of \$2,144,216 in comparison with the reported balance in the prior year. Of this total, \$1,679,145 for the general fund constitutes unassigned and assigned fund balance, which is available for spending at the government's discretion which was \$1,362,614 in the prior year. The remainder of fund balance is restricted by enabling legislation or contract and can only be spent on the purposes for which it is intended.

Activity during the current fiscal year included the following key components:

- Total governmental funds revenues increased by \$1,594,238 or 37% due to increased tax revenue of \$237,864, licenses and permits of \$913,390, charges for services of \$130,595, intergovernmental revenue of \$351,778 and fines and forfeitures of \$8,058 coupled with a decrease in other revenue of \$47,447.
- Total governmental funds expenditures increased by \$396,697 or 10% due to increased current expenditures of \$74,487 and increased capital outlay expenditures of \$322,200.
- Revenue generally increased due to increased property valuations coupled with increased residential construction within the Town. Expenditures increased mainly due to increased capital expenditures on Town equipment and projects.

Proprietary funds: The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The major changes between 2020 and 2021 are discussed above under the "business-type activities" heading.

TOWN OF DUNDEE, FLORIDA

Management's Discussion and Analysis

September 30, 2021

General Fund Budgetary Highlights

Actual resources (revenues and other sources(uses)) were more than budgeted resources by \$657,187 and actual charges to appropriations were \$93,689 more than budgeted resulting in an overall favorable budget variance of \$563,498. These budgetary variances were due to significant differences between original estimates and actual results. These differences were caused by many budgetary variances within a large pool of diverse revenue and expenditure categories with major budgetary variances explained below:

The final budget amendment approved by the Town Commission on November 30, 2021 increased budgeted resources by \$12,495 and increased budgeted expenditures by \$137,473 to reflect the difference between the original budget and the estimated final actual amounts received and expended.

Capital Assets

Capital assets: The Town's investment in capital assets for its governmental and business type activities as of September 30, 2021, amounts to \$22,571,113 (net of accumulated depreciation) which is an increase of \$1,069,616 or 5%. This increase is the result of current year additions in excess of current year depreciation expense.

Information on the Town's capital assets is summarized in the following table.

Capital Assets Activity
(net of depreciation)
as of September 30,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 1,062,872	\$ 1,052,418	\$ 806,276	\$ 806,276	\$ 1,869,148	\$ 1,858,694
Buildings and improvements	2,203,461	2,308,147	14,840,016	13,962,002	17,043,477	16,270,149
Vehicles and equipment	627,356	453,687	314,509	150,270	941,865	603,957
Construction in progress	409,455	-	97,620	864,066	507,075	864,066
Infrastructure	2,209,548	1,904,631	-	-	2,209,548	1,904,631
Total	<u>\$ 6,512,692</u>	<u>\$ 5,718,883</u>	<u>\$ 16,058,421</u>	<u>\$ 15,782,614</u>	<u>\$ 22,571,113</u>	<u>\$ 21,501,497</u>

Additional information on the Town's capital assets can be found in note 5 of the notes to financial statements which can be found by referencing the table of contents of this report.

Debt Administration

Long-Term Debt: As shown in the table below, the Town had total long-term debt outstanding of \$5,719,667 which represents a decrease of approximately 5% over the prior year.

Revenue Notes and Notes Payable
as of September 30,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue notes	\$ 1,175,045	\$ 1,338,632	\$ 4,464,669	\$ 4,590,945	\$ 5,639,714	\$ 5,929,577
Other notes and leases	79,963	97,761	-	-	79,963	97,761
Total	<u>\$ 1,255,008</u>	<u>\$ 1,436,393</u>	<u>\$ 4,464,669</u>	<u>\$ 4,590,945</u>	<u>\$ 5,719,677</u>	<u>\$ 6,027,338</u>

Additional information on the Town's long-term debt can be found in note 6 of the notes to financial statements which can be found by referencing the table of contents of this report.

Economic Factors and Next Year's Budget and Rates

The Town continues to face challenges in finding sufficient funding to support basic services and growth. As a result, the Town is concentrating on holding the line on expenses going forward and finding ways to increase revenues.

Requests for Information

This financial report is designed to provide users with a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Town of Dundee, Office of the Town Manager, PO Box 1000, Florida 33838 or call (863) 438-8330.

TOWN OF DUNDEE, FLORIDA

Statement of Net Position

September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,908,781	\$ 658,755	\$ 2,567,536
Receivables, current:			
Customer accounts, net	-	267,256	267,256
Franchise and public service taxes	132,554	-	132,554
Intergovernmental	179,953	1,033	180,986
Prepaid expenses	47,301	28,723	76,024
Internal balances	(108,676)	108,676	-
Restricted assets:			
Cash and cash equivalents	5,724,493	636,897	6,361,390
Capital Assets:			
Non-depreciable	1,472,327	903,896	2,376,223
Depreciable, net	5,040,365	15,154,525	20,194,890
TOTAL ASSETS	<u>14,397,098</u>	<u>17,759,761</u>	<u>32,156,859</u>
LIABILITIES			
Accounts payable	168,715	82,352	251,067
Construction costs payable	285,965	-	285,965
Accrued payroll	57,109	25,232	82,341
Accrued interest payable	9,988	14,928	24,916
Due to other governments	36,915	2,278	39,193
Unearned revenue	1,263,153	381,713	1,644,866
Customer deposits	54,007	204,056	258,063
Long-term obligations:			
Due within one year	192,051	283,032	475,083
Due in more than one year	1,078,076	4,192,594	5,270,670
TOTAL LIABILITIES	<u>3,145,979</u>	<u>5,186,185</u>	<u>8,332,164</u>
NET POSITION			
Net investment in capital assets	4,971,719	11,779,430	16,751,149
Restricted for:			
Debt service	-	299,998	299,998
Stormwater management	-	117,915	117,915
Water system improvements	600,014	-	600,014
Sewer system improvements	269,200	-	269,200
Building code enforcement	713,622	-	713,622
Transportation improvements	1,469,017	-	1,469,017
Parks and recreation improvements	199,099	-	199,099
Library improvements	469,461	-	469,461
Public safety improvements	520,326	-	520,326
Unrestricted	2,038,661	376,233	2,414,894
TOTAL NET POSITION	<u>\$ 11,251,119</u>	<u>\$ 12,573,576</u>	<u>\$ 23,824,695</u>

See Accompanying Notes to Financial Statements

TOWN OF DUNDEE, FLORIDA
Statement of Activities
for the year ended September 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grant and Contributions	Capital Grant and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 882,583	\$ 81,248	\$ 382,402	\$ 475,618	\$ 56,685	\$ -	\$ 56,685
Law enforcement	952,992	7,719	-	74,659	(870,614)	-	(870,614)
Fire control	414,606	10,032	-	154,925	(249,649)	-	(249,649)
Building and zoning	213,241	447,281	102,832	-	336,872	-	336,872
Streets	512,028	36,803	44,647	572,524	141,946	-	141,946
Library	166,823	4,111	29,067	106,265	(27,380)	-	(27,380)
Parks and recreation	311,712	18,633	-	32,800	(260,279)	-	(260,279)
Historic train depot	34,917	-	-	-	(34,917)	-	(34,917)
Code enforcement	86,905	-	-	-	(86,905)	-	(86,905)
Interest on long-term debt	68,308	-	-	-	(68,308)	-	(68,308)
Total governmental activities	3,644,115	605,827	558,948	1,416,791	(1,062,549)	-	(1,062,549)
Business-type activities							
Water utility	1,266,030	1,152,318	-	186,487	-	72,775	72,775
Sewer utility	745,177	811,401	-	239,016	-	305,240	305,240
Stormwater management	117,629	180,396	-	-	-	62,767	62,767
Sanitation	640,648	806,871	-	-	-	166,223	166,223
Total business-type activities	2,769,484	2,950,986	-	425,503	-	607,005	607,005
TOTAL PRIMARY GOVERNMENT	\$ 6,413,599	\$ 3,556,813	\$ 558,948	\$ 1,842,294	(1,062,549)	607,005	(455,544)
GENERAL REVENUES							
Taxes:							
Property taxes, levied for general purposes					1,693,391	-	1,693,391
Franchise taxes					387,181	-	387,181
Public service taxes					651,317	-	651,317
Fuel taxes for transportation purposes					276,490	-	276,490
State shared revenue - unrestricted					545,241	-	545,241
Investment earnings					-	229	229
Gain on sale of capital assets					846	-	846
Other revenues					20,262	-	20,262
TRANSFERS					107,961	(107,961)	-
Total general revenues and transfers					3,682,689	(107,732)	3,574,957
Change in net position					2,620,140	499,273	3,119,413
NET POSITION, beginning of year - previous					8,245,892	12,522,283	20,768,175
Restatement (Note 15)					385,087	(447,980)	(62,893)
NET POSITION, beginning of year - restated					8,630,979	12,074,303	20,705,282
NET POSITION, end of year					\$ 11,251,119	\$ 12,573,576	\$ 23,824,695

See Accompanying Notes to Financial Statements

TOWN OF DUNDEE, FLORIDA
Balance Sheet – Governmental Funds
September 30, 2021

	General Fund	Impact Fee Special Revenue Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,908,781	\$ 3,686,876	\$ 5,595,657
Receivables, current:			
Franchise and public service taxes	163,716	-	163,716
Intergovernmental	179,953	-	179,953
Due from other funds	111,925	-	111,925
Prepaid items	47,301	-	47,301
Restricted assets:			
Cash and cash equivalents	2,037,617	-	2,037,617
TOTAL ASSETS	<u>\$ 4,449,293</u>	<u>\$ 3,686,876</u>	<u>\$ 8,136,169</u>
LIABILITIES			
Accounts payable	168,716	-	168,716
Construction costs payable	285,965	-	285,965
Accrued payroll	57,109	-	57,109
Due to other governments	36,915	-	36,915
Due to other funds	-	220,601	220,601
Unearned revenue	1,263,153	-	1,263,153
Customer deposits	54,007	-	54,007
TOTAL LIABILITIES	<u>1,865,865</u>	<u>220,601</u>	<u>2,086,466</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	82,518	-	82,518
FUND BALANCE			
Nonspendable	\$ 47,301	\$ -	\$ 47,301
Restricted for:			
Parks	60,842	-	60,842
Building code enforcement	713,622	-	713,622
Recreation improvements (impact fees)	-	138,257	138,257
Library improvements (impact fees)	-	469,461	469,461
Law enforcement improvements (impact fees)	-	322,778	322,778
Roads improvements (impact fees)	-	1,469,017	1,469,017
Fire improvements (impact fees)	-	197,548	197,548
Water system improvements (impact fees)	-	600,014	600,014
Sewer system improvements (impact fees)	-	269,200	269,200
Unassigned	1,679,145	-	1,679,145
TOTAL FUND BALANCE	<u>2,500,910</u>	<u>3,466,275</u>	<u>5,967,185</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 4,449,293</u>	<u>\$ 3,686,876</u>	<u>\$ 8,136,169</u>

See Accompanying Notes to Financial Statements

TOWN OF DUNDEE, FLORIDA

Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position

September 30, 2021

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

FUND BALANCE - TOTAL GOVERNMENTAL FUND	\$ 5,967,185
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	6,512,692
Revenues not received within the "availability" period are deferred at the fund level and recognized in the statement of activities.	51,357
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in governmental funds.	(9,988)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(1,270,127)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 11,251,119</u></u>

See Accompanying Notes to Financial Statements

TOWN OF DUNDEE, FLORIDAStatement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
for the year ended September 30, 2021

	General Fund	Impact Fee Special Revenue Fund	Total
REVENUES:			
Taxes	\$ 2,972,371	\$ -	\$ 2,972,371
Licenses and permits	447,281	1,316,897	1,764,178
Intergovernmental revenue	847,714	-	847,714
Charges for services	256,479	-	256,479
Fines and forfeitures	19,776	-	19,776
Other	13,163	-	13,163
Total revenues	<u>4,556,784</u>	<u>1,316,897</u>	<u>5,873,681</u>
EXPENDITURES:			
Current:			
General government	801,477	-	801,477
Public safety	1,586,076	-	1,586,076
Transportation	382,642	-	382,642
Culture/recreation	458,852	-	458,852
Capital outlay	699,935	77,119	777,054
Debt service	251,083	-	251,083
Total expenditures	<u>4,180,065</u>	<u>77,119</u>	<u>4,257,184</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>376,719</u>	<u>1,239,778</u>	<u>1,616,497</u>
OTHER FINANCING SOURCES			
Transfer in (out)	135,423	(27,462)	107,961
Insurance proceeds	10,032	-	10,032
Sale of capital assets	846	-	846
Total other financing sources	<u>146,301</u>	<u>(27,462)</u>	<u>118,839</u>
NET CHANGE IN FUND BALANCE	523,020	1,212,316	1,735,336
FUND BALANCE, beginning of year, previously reported	3,822,969	-	3,822,969
Restatement (Note 15)	(1,845,079)	2,253,959	408,880
FUND BALANCE, beginning of year as restated	<u>1,977,890</u>	<u>2,253,959</u>	<u>4,231,849</u>
FUND BALANCE, end of year	<u>\$ 2,500,910</u>	<u>\$ 3,466,275</u>	<u>\$ 5,967,185</u>

See Accompanying Notes to Financial Statements

TOWN OF DUNDEE, FLORIDA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds to the Statement of Activities
for the year ended September 30, 2021

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

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 1,735,336

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense.

This is the amount of capital assets recorded in the current period. 1,100,775
This is the amount of depreciation expense recorded in the current period. (306,966)

Revenues not received within the "availability" period are not reported as revenues at the fund level and are recognized as revenue in the statement of activities.

This represents the change caused by the "availability" criterion. (85,653)

Accrued interest expense on long-term debt is reported in the government-wide statement of activities, but it does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in the governmental funds. The following amount represents the change in accrued interest payable from the prior year. 1,389

Long-term obligations including bonds and notes payable and compensated absences are reported as liabilities in the government-wide statement of net position but are not reported as liabilities in the governmental funds because they do not require the use of current financial resources:

This is the change in accrued compensated absences during the year. (6,126)
Repayment of loan principal reported as an expenditure in governmental funds. 181,385

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,620,140

TOWN OF DUNDEE, FLORIDA
Statement of Net Position – Proprietary Fund
September 30, 2021

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 658,755
Customer accounts receivable, net	267,256
Due from other governments	1,033
Due from other funds	108,676
Prepaid expenses	28,723
Total current assets	<u>1,064,443</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	636,897
Capital assets:	
Non-depreciable	903,896
Depreciable, net	15,154,525
Total noncurrent assets	<u>16,695,318</u>
TOTAL ASSETS	<u>17,759,761</u>
LIABILITIES	
Current liabilities:	
Accounts payable	82,352
Accrued payroll	25,232
Due to other governments	2,278
Compensated absences, current	1,096
Long-term debt current	281,936
Total current liabilities	<u>392,894</u>
Noncurrent liabilities:	
Compensated absences, noncurrent	9,861
Unearned revenue	381,713
Liabilities payable from restricted assets:	
Customer deposits	204,056
Accrued interest payable	14,928
Long-term debt, noncurrent	4,182,733
Total noncurrent liabilities	<u>4,793,291</u>
TOTAL LIABILITIES	<u>5,186,185</u>
NET POSITION	
Net investment in capital assets	11,779,430
Restricted for:	
Debt service	299,998
Stormwater management	117,915
Unrestricted	376,233
TOTAL NET POSITION	<u>\$ 12,573,576</u>

See Accompanying Notes to Financial Statements

TOWN OF DUNDEE, FLORIDAStatement of Revenues, Expenses and Change in Fund Net Position – Proprietary Fund
for the year ended September 30, 2021

	Enterprise Fund
OPERATING REVENUES:	
Charges for services	\$ 2,950,986
Total operating revenues	<u>2,950,986</u>
OPERATING EXPENSES:	
Personnel services	619,438
Operating expenses	1,317,575
Depreciation	615,403
Total operating expenses	<u>2,552,416</u>
OPERATING INCOME	<u>398,570</u>
NONOPERATING REVENUE (EXPENSE)	
Interest expense	(190,900)
Interest revenue	229
Other, net	(26,168)
Total nonoperating revenues (expenses)	<u>(216,839)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>181,731</u>
Capital contributions - other	425,503
Interfund transfers, net	(107,961)
CHANGE IN NET POSITION	<u>499,273</u>
TOTAL NET POSITION, beginning of year - previously reported	12,522,283
Restatement (Note 15)	(447,980)
TOTAL NET POSITION, beginning of year - as restated	<u>12,074,303</u>
TOTAL NET POSITION, end of year	<u>\$ 12,573,576</u>

See Accompanying Notes to Financial Statements

TOWN OF DUNDEE, FLORIDA
Statement of Cash Flows – Proprietary Fund
for the year ended September 30, 2021

	<u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 2,938,405
Other receipts	(570)
Payments to suppliers	(1,619,235)
Payments for salaries and benefits	(618,075)
Net cash flows provided by operating activities	<u>700,525</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers from other funds, net of interfund receivables/payables	(216,637)
Net cash flows provided by (used for) noncapital financing activities	<u>(216,637)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets, net of related payables	(465,707)
Principal paid on long-term debt	(264,031)
Interest paid on borrowings	(192,536)
Proceeds from borrowings	112,157
Net cash provided by (used for) capital and related financing activities	<u>(810,117)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on invested funds	229
Net cash flows provided by (used for) investing activities	<u>229</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(326,000)
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,621,652</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,295,652</u>
As shown in the Accompanying Financial Statements	
Cash and cash equivalents	\$ 658,755
Restricted cash and cash equivalents	636,897
Total cash and cash equivalents	<u>\$ 1,295,652</u>
Noncash financing and investment activities:	
Joint venture loan guarantee	<u>\$ 25,598</u>
Donated water and wastewater infrastructure	<u>\$ 425,503</u>

... continued

TOWN OF DUNDEE, FLORIDAStatement of Cash Flows – Proprietary Fund (concluded)
for the year ended September 30, 2021

	<u>Enterprise Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income	\$ 398,570
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	615,403
Nonoperating revenue reported as operating cash flows	(570)
(Increase) decrease in accounts receivable	(30,346)
(Increase) decrease in prepaid expenses	20,637
(Increase) decrease in amounts due from other governments	(1,033)
Increase (decrease) in customer deposits	18,798
Increase (decrease) in accounts payable	(322,972)
Increase (decrease) in accrued wages and compensated absences	1,363
Increase (decrease) in amounts due to other governments	675
Net cash flows from operating activities	<u>\$ 700,525</u>

See Accompanying Notes to Financial Statements

TOWN OF DUNDEE, FLORIDA
Statement of Fiduciary Net Position – Fiduciary Funds
September 30, 2021

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ 74,458
TOTAL ASSETS	<u>74,458</u>
LIABILITIES	
Due to other governments	<u>74,458</u>
TOTAL LIABILITIES	<u>74,458</u>
NET POSITION	
TOTAL NET POSITION	<u>\$ -</u>

See Accompanying Notes to Financial Statements

TOWN OF DUNDEE, FLORIDA

Statement of Changes in Fiduciary Net Position – Fiduciary Funds
for the year ended September 30, 2021

	<u>Custodial Fund</u>
ADDITIONS:	
Fees collected on behalf of other governments	\$ 1,802,382
Total additions	<u>1,802,382</u>
DEDUCTIONS:	
Remittances of fees to other governments	1,802,382
Total deductions	<u>1,802,382</u>
NET INCREASE (DECREASE)	-
NET POSITION - beginning of year	<u>-</u>
NET POSITION - end of year	<u>\$ -</u>

See Accompanying Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its statements (GASBS) and Interpretations (GASBI). The more significant accounting policies established in GAAP and used by the Town are discussed below.

A. REPORTING ENTITY

The Town of Dundee, Florida (the "Town") is a municipal corporation incorporated on December 16, 1924 by general vote of the registered voters of the incorporating limits under then sections 1825 of the Revised General Statutes of Florida. The Corporation operates under a charter form of government created by Ordinance No. 77-6 adopted at the general election on November 1, 1977, and most recently recodified and readopted by Ordinance No. 93-09 dated June 8, 1993. The Town is governed by a board of five elected commission members. These financial statements include all of the funds, organizations, agencies and departments of the Town (the "primary government") and any legally separate entities ("component units") required by generally accepted accounting principles to be included in the reporting entity.

The accompanying financial statements present the Town's primary government and component units over which the Town exercises significant influence. Criteria for determining if other entities are potential component units of the Town which should be reported with the Town's basic financial statements are identified and described in the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. The application of these criteria provides for identification of any entities for which the Town is financially accountable and other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the Town's basic financial statements to be misleading or incomplete. A blended component unit, although legally separate, is in substance part of the Town's operations and presented in the financial statements as "blended" components. Blending refers to the fact that the component unit's funds are combined with those of the primary government for financial reporting purposes.

Based on these criteria, the financial reporting entity does not include or exclude any component units.

The financial reporting entity does not include the assets of the employee defined contribution pension plan, which were determined not to be assets of the Town.

B. BASIS OF PRESENTATION

The basic financial statements consist of the government-wide financial statements and fund financial statements.

Government-wide Financial Statements - The required government-wide financial statements are the Statement of Net Position and the Statement of Activities, which report information on all of the nonfiduciary activities of the Town.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

The Town's fiduciary funds are also excluded from the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to fund activities or obligations of the government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *Business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment, including depreciation. The Town does not allocate the interest expense of governmental fund debt or indirect costs such as finance, personnel, legal, etc. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements - The financial transactions of the Town are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Cod. Sec 2200 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Non-major funds by category are summarized into a single column. Due to the Town's fund structure, there were no non-major funds. The various funds are reported by type within the financial statements.

The following fund types and funds are used and reported by the Town:

Governmental Funds - The focus of the governmental fund measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the Town:

- **General Fund** is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Impact Fee Special Revenue Fund** – In response to the requirements of Section 163.31801, Florida Statutes, this fund was created in 2021 to account for the financial transactions of the Town impact fees, including water and sewer impact fees, which were previously accounted for in the enterprise fund.

Proprietary Funds - The focus of proprietary fund measurement is upon determination of operating income, changes in net position, overall financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund used by the Town:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

- **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Town has one *Enterprise Fund* which accounts for the activities associated with providing sanitation services; potable water services; sewer collection, treatment and disposal services; and stormwater management services to area residents.

Fiduciary Fund - The Town uses a fiduciary fund to report assets held in a trustee or agency capacity that are, therefore, not available to support Town programs. The accounting for fiduciary funds is much like that used for proprietary funds. Town reports the following fiduciary fund:

- **Custodial Fund** – The custodial fund is to account for impact fees collected on behalf of Polk County, Florida (the “County”). These funds are collected on behalf of the County as new construction takes place within the Town and remitted to the County monthly.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Imposed nonexchange resources (property taxes, fines) are reported as deferred inflows if received before the tax is levied or before the date when use is first permitted. Government mandated nonexchange transactions (grants) and voluntary nonexchange transactions (donations) resources are reported as liabilities until the eligibility requirements are met and as deferred inflows if received before time requirements are met.

Proprietary fund operating revenues generally result from producing and providing goods and services such as sanitation services, stormwater management, potable water services and sewer collection and disposal services. Operating expenses for these operations include all costs related to providing the service or product. These costs include billing and collection, personnel and purchased services, repairs and maintenance, depreciation, materials and supplies, and other expenses directly related to costs of services.

All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

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. Changes in fair value of investments are recognized at the end of each year. Revenues are considered to be *available* when they are collectible 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, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

Property taxes, franchise and public service taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual as revenue of the current period. Grant revenues are considered earned and are accrued simultaneously with the grant expenditure.

In applying the susceptibility-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and substantially irrevocable; i.e. revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criteria. All other revenue items are measurable and available only when cash is received by the government.

D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY

CASH AND CASH EQUIVALENTS – Includes all short-term highly liquid investments with a maturity of three months or less when purchased, including all bank demand deposits, certificates of deposit, local government investment pool investments reported at amortized cost, money-market and savings accounts. As of September 30, 2021, all the Town’s cash and investments met this definition.

INVESTMENTS - The types of investments in which the Town may invest are governed by Section 218.415(17), Florida Statutes. In accordance with Section 218.415(17), Florida Statutes, the Town is authorized to invest in the following instruments: Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized through the Florida Interlocal Cooperation Act; S.E.C. registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories or direct obligations of the U.S. Treasury.

RECEIVABLES - The Town accrues unbilled service of its enterprise fund representing the estimated value of service from the last billing date to year end which totaled \$55,570 on September 30, 2021. A reserve for doubtful accounts is maintained in the enterprise fund equal to the value of the utility customer receivables that are not expected to be collected. As of September 30, 2021, the reserve for doubtful accounts totaled \$22,060 for the utility service receivables.

INVENTORY - Supplies inventories of the general fund and the enterprise fund are immaterial and not recorded as assets. Such items are charged to expense when purchased.

PREPAID ITEMS - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

CAPITAL ASSETS - In the government-wide financial statements, capital assets include land, buildings, improvements, utility and infrastructure with an individual cost of \$25,000 and furniture and equipment with an individual cost of \$2,000. Such assets are recorded at historical cost, if purchased, and at acquisition value at date of gift, if donated. Governmental fund infrastructure assets (e.g., roads, bridges, sidewalks, streets, drainage systems and lighting system), acquired prior to October 1, 2003, have not been reported as allowed by GASB Cod. Sec. 1400.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Capital asset depreciation is recognized using the straight-line method over the estimated useful lives, as follows:

	<u>Years</u>
Utility plant in service	40-50
Buildings and improvements	40
Machinery and equipment	3-10
Vehicles	5-10
Infrastructure:	
Streets	50-75
Drainage	50

RESTRICTED ASSETS – Restricted assets include cash and investments that are legally restricted to specific uses by external parties. The Town generally uses restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

INTEREST COSTS - Interest costs incurred before the end of a construction period is a financing activity separate from the related capital asset and interest costs incurred before the end of the construction period are recognized as an expense in the period in which the cost is incurred. These interest costs are not capitalized as part of the historical cost of the capital asset.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and will *not* be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position will sometimes report a section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applied to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues that are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

LONG-TERM OBLIGATIONS - In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Debt issuance costs are reported as an expense in the period incurred. Bond premiums and discounts are reported, net of amortization, in the related debt balances shown in the financial statements.

For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is the shorter. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements; rather the debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

COMPENSATED ABSENCES - The Town's policies permit employees to accumulate vacation and sick time up to certain limits and to be compensated for the accumulated vacation time upon termination of employment. The liability for these compensated absences is recorded as long-term in the government-wide statements and in the proprietary fund financial statements because the maturities are not determinable. In the fund financial statements, the governmental funds do not report the compensated absence liability because it is generally not payable from expendable available financial resources.

CONNECTION FEES AND IMPACT FEES - Connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities and are recorded as operating revenue when received. Impact fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as capital contributions when received. Prepaid impact fees received which reserve capacity in the Town's future water or wastewater facilities are reported as capital contributions when the requirements of the developer agreements are met by the Town.

INTERFUND BALANCES AND TRANSFERS - Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide presentation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

EQUITY CLASSIFICATIONS -

Government-wide Statements - The difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and unearned impact fees that are attributable to the acquisition, construction, or improvement of those assets. The calculation of the net investment in capital assets is as follows:

	Governmental Activities	Business-type Activities
Capital assets, net	\$ 6,512,692	\$ 16,058,421
Less:		
Construction costs payable	(285,965)	-
Long-term debt related to capital assets:		
Vehicle purchase note, 2019	(79,963)	-
Capital Improvement Revenue Note, Series 2007A	(1,175,045)	-
USDA Water and Sewer, Series 2001	-	(1,287,250)
Capital Improvement, Series 2007	-	(165,750)
USDA Water and Sewer, Series 2011	-	(2,728,714)
Equipment purchase note, 2021	-	(97,277)
Net investment in capital assets	<u>\$ 4,971,719</u>	<u>\$ 11,779,430</u>

Restricted net position - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

Fund Statements - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. Spendable resources are to be shown as restricted, committed, assigned and unassigned as considered appropriate in the Town's circumstances. The following classifications describe the relative strength of the spending constraints:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Committed - amounts constrained to specific purposes by formal action (ordinance) of the Town using its highest level of decision-making authority (the Town Commission). To be reported as committed, amounts cannot be used for any other purpose unless the Town Commission takes the same highest-level action (ordinance) to remove or change the constraint.

Assigned - amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Commission or through the Town Commission delegating this responsibility to the Town Manager through the budgetary process. The Town Commission has not established a formal policy regarding authorization to assign fund balance amounts for a specific purpose.

Unassigned - This classification is used for (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed or assigned.

The Town uses restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

USE OF ESTIMATES – The preparation of the basic financial statements in conformity with generally accepted accounting principles, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the basic financial statements. Actual results could differ from estimates.

NOTE 2 - PROPERTY TAX CALENDAR

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The tax levy of the Town is established by the Town Commission prior to October 1 of each year and the Polk County Property Appraiser incorporates the millage into the total tax levy, which includes the municipalities, the County, independent districts and the County School Board tax requirements. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The Town's millage rate in effect for the fiscal year ended September 30, 2021, was 7.900.

All taxes are due and payable on November 1 (levy date) of each year and unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment as follows: 4% in of November, 3% in December, 2% in January, 1% in February. The taxes paid in March are without discount. Delinquent taxes on real and personal property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property.

NOTE 3 - BUDGETARY LAW AND PRACTICE

The budget is adopted by resolution on a Town-wide basis for all Town funds on or before October 1 of each year as required by State Statute. Town Ordinance establishes the legal level of budgetary control at the individual fund level. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations subject to notification of the Town Commission. The budgets for the governmental funds are adopted on the accounting basis used for financial reporting purposes and the enterprise fund budget is adopted essentially on the cash basis. The Town Commission did not adopt a budget for the impact fee special revenue fund for the year ended September 30, 2021.

The general fund's actual expenditures exceeded final budgeted appropriations by \$93,689 which was funded by greater than expected revenue received during the year.

NOTE 4 - DEPOSITS AND INVESTMENTS

DEPOSITS IN FINANCIAL INSTITUTIONS - The Town's deposits are insured by the FDIC up to \$250,000 per financial institution. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the Chief Financial Officer, State of Florida ("CFO") in such amounts required by the Florida Security for Public Deposits Act. In the event of a default or insolvency of a qualified public depositor, the CFO will implement procedures for payment of losses according to the validated claims of the Town pursuant to Section 280.08 Florida Statutes.

INVESTMENTS – The Town invests surplus funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration (SBA), under the regulatory oversight of the State of Florida. Florida PRIME meets all the necessary criteria to elect to measure all of the investment in Florida PRIME at amortized cost, as a cash equivalent.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2021 was 49 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME on September 30, 2021 was 64 days.

Regarding redemption gates, Chapter 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

Regarding liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

NOTE 4 - DEPOSITS AND INVESTMENTS (concluded)

The captions on the government-wide statement of net position for "cash and cash equivalents", both restricted and unrestricted, are summarized below.

Cash and cash equivalents:		
Cash on hand	\$	43,307
Deposits in financial institutions:		
Insured or fully collateralized bank deposits		8,666,559
State Board of Administration - local government pool		<u>219,060</u>
Total cash and cash equivalents	\$	<u>8,928,926</u>

The Town has no policy regarding custodial credit risk, concentration of credit risk, interest rate risk or foreign currency risk.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2021 was as follows:

	Balance October 1, 2020 (*)	Transfers	Increases	Decreases	Balance September 30, 2021
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,052,418	\$ -	\$ 10,454	\$ -	\$ 1,062,872
Construction-in-progress	-	-	409,455	-	409,455
Total capital assets, not being depreciated	<u>1,052,418</u>	<u>-</u>	<u>419,909</u>	<u>-</u>	<u>1,472,327</u>
Capital assets, being depreciated:					
Buildings and improvements	3,983,109	-	3,889	-	3,986,998
Equipment and vehicles	1,217,385	-	268,293	(82,979)	1,402,699
Infrastructure:					
Road network	2,376,617	-	408,684	-	2,785,301
Sidewalk network	225,432	-	-	-	225,432
Total capital assets, being depreciated	<u>7,802,543</u>	<u>-</u>	<u>680,866</u>	<u>(82,979)</u>	<u>8,400,430</u>
Less accumulated depreciation for:					
Buildings and improvements	(1,674,962)	-	(108,575)	-	(1,783,537)
Equipment and vehicles	(763,698)	-	(94,624)	82,979	(775,343)
Infrastructure:					
Road network	(691,782)	-	(103,767)	-	(795,549)
Sidewalk network	(5,636)	-	-	-	(5,636)
Total accumulated depreciation	<u>(3,136,078)</u>	<u>-</u>	<u>(306,966)</u>	<u>82,979</u>	<u>(3,360,065)</u>
Total capital assets being depreciated, net	<u>4,666,465</u>	<u>-</u>	<u>373,900</u>	<u>-</u>	<u>5,040,365</u>
Governmental activities capital assets, net	<u>\$ 5,718,883</u>	<u>\$ -</u>	<u>\$ 793,809</u>	<u>\$ -</u>	<u>\$ 6,512,692</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 806,276	\$ -	\$ -	\$ -	\$ 806,276
Construction-in-progress	864,066	(854,017)	87,571	-	97,620
Total capital assets, not being depreciated	<u>1,670,342</u>	<u>(854,017)</u>	<u>87,571</u>	<u>-</u>	<u>903,896</u>
Capital assets, being depreciated:					
Utility plant	23,071,713	854,017	586,945	(65,210)	24,447,465
Equipment and vehicles	481,318	-	216,694	(40,348)	657,664
Total capital assets, being depreciated	<u>23,553,031</u>	<u>854,017</u>	<u>803,639</u>	<u>(105,558)</u>	<u>25,105,129</u>
Less accumulated depreciation for:					
Utility plant	(9,109,711)	(3,067)	(559,881)	65,210	(9,607,449)
Equipment and vehicles	(331,048)	3,067	(55,522)	40,348	(343,155)
Total accumulated depreciation	<u>(9,440,759)</u>	<u>-</u>	<u>(615,403)</u>	<u>105,558</u>	<u>(9,950,604)</u>
Total capital assets being depreciated, net	<u>14,112,272</u>	<u>854,017</u>	<u>188,236</u>	<u>-</u>	<u>15,154,525</u>
Business-type activities capital assets, net	<u>\$ 15,782,614</u>	<u>\$ -</u>	<u>\$ 275,807</u>	<u>\$ -</u>	<u>\$ 16,058,421</u>

(*) – the previously reported balances above on October 1, 2020 have been restated and increasing accumulated depreciation in the governmental activities by \$23,793 and increasing business-type activities accumulated depreciation by \$39,100. See Note 15 for more detail.

NOTE 5 - CAPITAL ASSETS (concluded)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:

General government	\$	71,612
Law enforcement		1,636
Fire		56,518
Building code enforcement		10,394
Streets		123,388
Library		18,077
Parks & recreation		24,063
Historic train depot		1,278
Total depreciation expense - governmental activities	\$	<u>306,966</u>

Business-type Activities:

Water	\$	282,038
Sewer		314,588
Stormwater		18,777
Total depreciation expense - business-type activities	\$	<u>615,403</u>

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2021:

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021	Amounts Due within One Year
Governmental Activities:					
Long-term debt:					
Notes payable:					
Vehicle purchase note, 2019	\$ 97,761	\$ -	\$ (17,798)	\$ 79,963	\$ 18,502
Capital Improvement Revenue Note, Series 2007A	1,338,632	-	(163,587)	1,175,045	172,036
Total long-term debt	1,436,393	-	(181,385)	1,255,008	190,538
Other liabilities:					
Compensated absences	8,993	26,841	(20,715)	15,119	1,513
Total other liabilities	8,993	26,841	(20,715)	15,119	1,513
Total long-term liabilities	\$ 1,445,386	\$ 26,841	\$ (202,100)	1,270,127	\$ 192,051
Less amount due in one year				(192,051)	
Net long-term liabilities in excess of one year				\$ 1,078,076	
Business-type Activities:					
Long-term debt:					
Revenue certificates:					
USDA Water and Sewer, Series 2001	\$ 1,330,210	\$ -	\$ (42,960)	\$ 1,287,250	\$ 44,840
Capital Improvement, Series 2007	323,436	-	(157,686)	165,750	165,750
USDA Water and Sewer, Series 2011	2,777,219	-	(48,505)	2,728,714	50,504
Equipment purchase note, 2021	-	112,157	(14,880)	97,277	20,842
Other long-term debt:					
Joint venture loan guarantee	160,080	25,598	-	185,678	-
Total long-term debt	4,590,945	137,755	(264,031)	4,464,669	281,936
Other liabilities:					
Compensated absences	11,329	25,093	(25,465)	10,957	1,096
Total other liabilities	11,329	25,093	(25,465)	10,957	1,096
Total long-term liabilities	\$ 4,602,274	\$ 162,848	\$ (289,496)	4,475,626	\$ 283,032
Less amount due in one year				(283,032)	
Net long-term liabilities in excess of one year				\$ 4,192,594	

Notes to Long-Term Obligations Table

Long term liabilities, including compensated absences, are typically liquidated by the individual fund to which the liability is directly associated.

All of the Town's long-term debt arose through direct borrowings or direct placements.

NOTE 6 - LONG-TERM OBLIGATIONS (cont...)

Governmental Activities:

- Capital Improvement Revenue Note, Series 2007A - This note is secured by the Town's franchise and utility taxes on the sale of electricity, natural gas, propane and the communication services tax. Principal and interest are payable semi-annually on February 1 and August 1, in equal amounts of \$114,900 through maturity on August 1, 2027. The original amount of the loan was \$2,800,000 and was used for capital acquisitions and renovations of certain municipal facilities and bears interest at 5.10%.
- Vehicle Purchase Note 2019 – The Town financed the purchase of a fire rescue vehicle through a loan with a local bank in the original amount of \$130,000. The terms of the note require monthly payments of principal and interest in the amount of \$1,774 and matures on October 4, 2025. The note bears interest at 3.89%.

Business-Type Activities:

- USDA Water and Sewer Revenue Bonds, Series 2001 - These bonds are secured by the net revenues of the water and sewer systems and the half cent sales tax reported in the General Fund, and the sewer impact fees on deposit in the enterprise fund. The original bond amount was \$1,857,840 and was used primarily to construct a sewer system and related improvements. The bonds bear interest at 4.375% with principal and interest payable annually on September 1 in the amount of \$101,160 with a final maturity of September 1, 2040.
- Capital Improvement Series 2007 - This revenue note bears interest at 5.05% and is secured by the Town's franchise and utility taxes on the sale of electricity, natural gas, propane and communication services tax reported in the General Fund. Principal and interest are payable semi-annually on February 1 and August 1, in equal amounts of \$86,027 through maturity on August 1, 2022. The original amount of the loan was \$1,800,000 and was used to refund the Series 2000A non-ad valorem revenue notes and for capital improvement projects.
- USDA Water and Sewer Revenue Bonds, Series 2011 - These bonds are secured by the net revenues of the water and sewer systems and the half cent sales tax reported in the General Fund, and the sewer impact fees on deposit in the enterprise fund. The original bond amount was \$3,136,000 and was used to construct a new water plant. The bonds bear interest at 4.125% with principal and interest payable annually on September 1 in the amount of \$163,072 with a final maturity of September 1, 2050.
- Equipment Purchase Note 2021 – The Town financed the purchase of a Vac-Tron series vacuum excavation technology vehicle and equipment through a financed purchase in the original amount of \$112,157. The terms of the note require monthly payments of principal and interest in the amount of \$2,150 and matures in December 2025. The note bears interest at 5.64%.

NOTE 6 - LONG-TERM OBLIGATIONS (cont...)

Business-Type Activities: (concluded)

- Joint Venture Loan Guarantee – The Town has entered into an agreement with the Florida Department of Environmental Protection to guarantee to pay the principal and interest of the Town’s proportional share of the State Revolving Fund (SRF) loan funds borrowed by the Polk Regional Water Cooperative to fund the projects of the combined projects implementation agreement. The SRF loan bears interest at 1.89% and principal and interest are due semiannually beginning on December 15, 2024 for a ten-year term to maturity on December 15, 2033. As of September 30, 2021, the Polk Regional Water Cooperative has borrowed \$9,914,390 through this SRF funding of which, \$185,678 has been guaranteed by the Town and has been recorded as a liability in the Town’s enterprise fund. See Note 13 for more information on the Polk Regional Water Cooperative.

Remedies upon Default – The debt obligations all allow for the obligors/lenders to take whatever legal actions necessary to collect the amounts due in the event of default. The following debt obligations have additional remedies in the event of default as follows:

- Capital Improvement Revenue Note, Series 2007A and Capital Improvement Series 2007 – The lender may increase the interest rate to the lender’s published prime rate plus 2%, retroactive to the date of default. Upon the cure of default, the interest rate shall return to the rate in effect immediately preceding the default. If a default is not cured within 30 days, the lender may declare all outstanding amounts immediately due and payable.
- Vehicle Purchase Note 2019 and Equipment Purchase Note 2021 - In the event of default, the interest rate on the loan increases to 18% per annum and may declare all outstanding amounts immediately due and payable.

NOTE 6 - LONG-TERM OBLIGATIONS (concluded)

Maturities: Annual requirements to repay the long-term debt of the governmental and business-type activities as of September 30, 2021, were as follows:

Fiscal Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 190,538	\$ 60,544	\$ 281,936	\$ 180,141
2023	200,157	50,926	121,436	168,585
2024	210,263	40,820	126,931	163,093
2025	220,883	30,200	132,680	157,347
2026	211,869	19,702	136,020	155,133
2027-2031	221,298	8,500	728,951	694,544
2032-2036	-	-	864,763	538,199
2037-2041	-	-	866,815	353,165
2042-2046	-	-	615,486	199,874
2047-2051	-	-	589,651	62,032
Total	\$ 1,255,008	\$ 210,692	\$ 4,464,669	\$ 2,672,113

The Town has pledged various future revenue sources for various debt issues. For the water system, the Town has pledged future revenues, net of certain operating expenses. The following table provides a summary of the pledged revenues for the Town's outstanding debt issues. Additional information regarding the Town's pledged revenue can be found in the preceding sections of this note:

Pledged Revenue	Revenue Pledged Through	Total Principal and Interest Outstanding	Current Year Principal and Interest Paid	Current Year Revenue	% of Revenues to Principal and Interest Paid
Franchise, public services and communication taxes	8/1/2027	\$ 1,550,841	\$ 401,852	\$ 891,766	221.91%
Water and sewer net revenues and half cent sales tax	9/1/2050	\$ 6,650,462	\$ 264,229	\$ 1,139,337	431.19%

NOTE 7 - DEFINED CONTRIBUTION PLAN

The Town Commission has established by Resolution an Internal Revenue Code Section 457 and a 401(a) defined contribution pension plan covering all employees who have completed one year of service. Since these assets do not belong to the Town, they are not reported in the accompanying financial statements. The benefit terms and contribution rates were established by the Town Commission passing a resolution and may be amended in the same manner. Under these plans, employees may purchase life insurance annuities with pretax earnings or invest in a selection of mutual funds. Participation is voluntary, and the employee determines the amount of their contribution. The Town will match the employee's contribution up to 5% of gross pay. Amounts of compensation deferred under the plans are not available to employees until termination, retirement, death, disability or unforeseeable emergency and are held in trust accounts solely for the benefit of the participants. Town contributions for the fiscal year ended September 30, 2021 totaled \$18,044. The Town owes the plan \$6,345 on September 30, 2021 for unpaid employer and employee contributions.

NOTE 8 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended September 30, 2021, consisted of:

	General fund	Impact fee special revenue fund	Total governmental funds	Enterprise fund
Transfer in (out):	\$ 125,000	\$ -	\$ 125,000	\$ (125,000)
Transfer in (out):	10,423	(27,462)	(17,039)	17,039
	<u>\$ 135,423</u>	<u>\$ (27,462)</u>	<u>\$ 107,961</u>	<u>\$ (107,961)</u>

The transfer from the enterprise fund to the general fund was an annual budgeted transfer and the transfer from the impact fee special revenue fund to the general and enterprise funds were to reimburse those funds for expenditures/expenses incurred and paid in a prior year that were deemed an allowable use of impact fees in the current year.

Interfund Receivables and payables:

	Interfund Receivable	Interfund (payable) Impact fee special revenue fund	Total, net
General Fund	\$ 111,925	\$ (111,925)	\$ -
Enterprise Fund	108,676	(108,676)	-
	<u>\$ 220,601</u>	<u>\$ (220,601)</u>	<u>\$ -</u>

The year-end interfund receivables and payables arose from the establishment of the impact fee special revenue fund in 2021 as more cash was transferred than required and these amounts are due back to the funds who initially transferred them to the impact fee special revenue fund.

NOTE 9 - SEGMENT INFORMATION FOR ENTERPRISE FUND

The Town has outstanding debt secured by its water and sewer revenues. The water and sewer operations are accounted for in a single enterprise fund along with sanitation and stormwater. Because many of the assets and liabilities of the enterprise fund are not separately identifiable with any one operating segment (e.g. cash, accounts receivable, accounts payable, etc.), it is not possible to present segment information disclosures for cash flows and some components of net position. Segment financial information that can be separately identified for the enterprise fund as of and for the year ended September 30, 2021, is presented below:

	Water & Sewer System	Sanitation System	Stormwater System	Total
Condensed statement of revenues, expenses and changes in net position:				
Operating revenues	\$ 1,963,719	\$ 806,871	\$ 180,396	\$ 2,950,986
Personnel services	(557,856)	-	(61,582)	(619,438)
Operating expenses	(641,298)	(640,648)	(35,629)	(1,317,575)
Depreciation	(596,626)	-	(18,777)	(615,403)
Non-operating revenues (expenses):				
Interest income	229	-	-	229
Interest expense	(189,259)	-	(1,641)	(190,900)
Other, net	(26,168)	-	-	(26,168)
Donated infrastructure	425,503	-	-	425,503
Inter-fund transfer	(107,961)	-	-	(107,961)
Change in net position	<u>\$ 270,283</u>	<u>\$ 166,223</u>	<u>\$ 62,767</u>	<u>\$ 499,273</u>
Summary information from statement of net position:				
Capital assets, net	<u>\$ 15,763,520</u>	<u>\$ -</u>	<u>\$ 294,901</u>	<u>\$ 16,058,421</u>
Long-term debt, including current portion	<u>\$ 4,464,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,464,669</u>

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS

The Town follows GASB Cod. Sec. P50 for certain post-employment health care and dental benefits provided by the Town.

Plan Description – The Other Postemployment Benefits Plan (OPEB Plan) is a single employer defined benefit plan administered by the Town. The OPEB Plan allows employees who retire and meet retirement eligibility requirements under the Town’s defined contribution plan to continue medical insurance coverage as a participant in the Town’s health insurance plan.

Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the Town are eligible to participate in the Town’s healthcare and life insurance benefits. The Town subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (concluded)

The Town does not offer any explicit other postemployment benefits for Town retirees. The Town doesn't issue a stand-alone report for the OPEB Plan, and the OPEB Plan is not included in the annual report of a public employee retirement system or another entity.

Funding Policy – OPEB Plan benefits are pursuant to the provisions of Section 112.0801, Florida Statutes. The Town has not advance-funded or established a funding methodology for the annual other postemployment benefit (OPEB) costs or the OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis.

Benefits Provided – The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the Town who meet the eligibility requirements of the Town's defined contribution plan are eligible to receive postemployment health care benefits. All retiree, spouse and dependent coverage is at the expense of the retiree.

Total OPEB Liability – The Town engaged an actuary to calculate the Town's total OPEB liability as of September 30, 2019 which was determined by an actuarial valuation as of September 30, 2019. The actuarial assumptions used in the September 30, 2019 valuation were as follows:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	3.58%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Year to Ultimate Trend Rate	55

For all lives, mortality rates were RP-2000 Combined Healthy Mortality Tables projected to the valuation date using projection scale AA.

Discount Rate – The discount rate was based on a high-quality municipal bond rate of 3.58%, The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest is used.

The results of the September 30, 2019 actuarial valuation produced an estimated actuarial determined total OPEB liability and OPEB expense that was immaterial to the Town's financial statements and accordingly, there is no OPEB liability recorded in the financial statements. It is the intent of the Town to engage an actuary to calculate the Town's total OPEB liability on a biennial basis. The total OPEB liability will be assessed biennially and will be reported if material to the financial statements taken as a whole.

NOTE 11 - RISK MANAGEMENT AND LITIGATION

During the ordinary course of its operations, the Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees, and natural disasters. The Town maintains commercial insurance coverage in amounts management feels are adequate to protect and safeguard the assets of the Town. There have been no significant reductions in coverage nor have settlement amounts exceeded the Town’s coverage during the year ended September 30, 2021 or the previous two fiscal years. In the opinion of the Town’s management and legal counsel, legal claims and litigation are not anticipated to have material impact on the financial position of the Town. The Town’s workers compensation coverage is provided through a nonassessable, nonprofit, tax-exempt risk sharing pool. Settled claims resulting from these risks have not exceeded insurance coverage.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

- **Contract with Polk County Sheriff:** The Town is under contract with the Polk County Sheriff’s office to provide policing services to the Town through the year ended September 30, 2025. The Town is required to provide the Sheriff with adequate office space at the Town’s expense and the contract can be terminated by either party upon 365 days written notice. The Town paid \$918,587 for the year ended September 30, 2021. The contract calls for the following minimum costs going forward:

Fiscal Year Ending September 30,	Annual Cost
2022	\$ 936,959
2023	\$ 955,698
2024	\$ 974,812
2025	\$ 994,308

- The Town participates in several programs that are fully or partially funded by grants received from Federal, state, or county agency sources. Expenditures financed by grants are subject to audit by the appropriate grantor government/agency. If expenditures are disallowed due to non-compliance with grant program regulations, the Town may be required to reimburse the grantor government/agency. As of September 30, 2021, the Town believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the Town.
- The Town has elected to reimburse the State directly for its unemployment claims rather than participate in the State insurance fund for this purpose. As a result, the cost for unemployment claims is deducted when paid. Such costs have been insignificant in the past and no provision for potential claims has been made in the financial statements.

NOTE 13 – JOINT VENTURE

Background - The Polk Regional Water Cooperative (PRWC) was created on April 1, 2016 by a interlocal agreement between the Town of Dundee, City of Auburndale, City of Bartow, City of Davenport, City of Eagle Lake, City of Fort Meade, City of Frostproof, City of Haines City, City of Lake Alfred, City of Lakeland, City of Lake Wales, City of Mulberry, Polk City, City of Winter Haven, Town of Lake Hamilton and Polk County in accordance with Chapters 163 and 373 of the Florida Statutes.

NOTE 13 – JOINT VENTURE (concluded)

These local government units are collectively considered the Member Governments. The PRWC is a separate legal entity organized under the laws of the State of Florida, and the Member Governments have no equity ownership in the PRWC.

The PRWC is devoted to encouraging the development of fully integrated, robust public water supply systems comprised of diverse sources managed in a manner that take full advantage of Florida's intense climatic cycles to ensure reliable, sustainable and drought resistant systems which maximize the use of alternative water supplies to the greatest extent practicable. The PRWC will evaluate, plan and implement water projects and coordinate partnerships with other water users.

Membership fees - The terms of the interlocal agreement require each Member Government to contribute their proportionate share of the PRWC's annual working capital needs which are established annually by a resolution of the PRWC's Board of Directors. For the year ended September 30, 2021, the total annual working capital needs of the PRWC was \$198,000 of which the Town's proportionate share was \$1,980.

Combined projects background - The Member Governments, except for the City of Frostproof, entered into a combined projects implementation agreement on March 16, 2017. This agreement established three combined projects to be pursued by the PRWC with a total estimated cost of \$23,000,000. The South West Florida Water Management District (SWFWMD) is funding 50% of the total estimated cost and the remainder is funded by the Member Governments based upon their average water use in comparison to the total average water use by all Member Governments.

Combined projects funding - The PRWC has entered into a state revolving fund (SRF) loan agreement with the State of Florida Department of Environmental Protection (FDEP) to borrow up to \$9,914,390 to assist Member Governments in meeting their local share of the total estimated combined project costs. Member Governments can elect to fund their local share of the project costs from their existing funds or participate in the SRF loan agreement. The Town has elected to participate in the SRF loan agreement to fund their estimated local share (\$257,260) of the project costs and as a result have entered into an agreement with FDEP to guarantee the Town's payment of their share of the SRF loan debt service requirements. The SRF loan bears interest at 1.89% and principal and interest are due semiannually beginning on December 15, 2024 for a ten-year term to maturity on December 15, 2033.

As of September 30, 2021, \$9,914,390 of SRF funds have been drawn by the PRWC. The Town's proportionate share of this liability totaled \$185,678 as of September 30, 2021 and has been recorded as a Town liability and as a nonoperating expense in the business-type activities/enterprise fund. See Note 6 for more detail.

Contact - Complete financial statements of the PRWC may be obtained from the PRWC's Executive Director at 330 W. Church Street, P.O. Box 9005, Drawer CA01, Bartow, FL 33831-9005.

NOTE 14 – SUBSEQUENT EVENT

On November 10, 2021, the Town purchased real property within the Town for \$452,478 to be used as the operating facility for the development services and code enforcement departments. The purchase was funded from reserves that were restricted for enforcement of the Florida building code as of September 30, 2021.

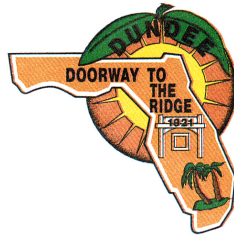
NOTE 15 – RESTATEMENTS

- *Change in Accounting Principles:*
 - During the fiscal year ended September 30, 2021, the Town implemented the provisions of GASB Statement No. 84 – *Fiduciary Activities*. This Statement establishes new criteria for identifying fiduciary activities which, when met, require that the activities be reported in a fiduciary fund in the basic financial statements. A statement of fiduciary net position and a statement of changes in fiduciary net position are required to be presented for these activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds (formerly agency funds). Implementation of this Statement did not require a restatement of net position or fund balance but resulted in the creation of a custodial fund to account for fees collected on behalf of other governments. See Note 1 for more information about the Town’s fund structure.
 - In response to the changes to Section 163.31801, Florida Statutes, the Town has established the impact fee special revenue fund effective October 1, 2020 to account for the financial transactions of the Town impact fees, including water and sewer impact fees that were previously reported in the enterprise fund. This reporting change is considered a change in accounting principle and as a result, fund balance of the general fund and net position of the enterprise fund, as previously reported, were decreased and the beginning of the year fund balance of the impact fee special revenue fund was increased by this same amount.
- *Correction of an Error:*
 - During the fiscal year ended September 30, 2021, the Town changed capital asset accounting systems and as a result, accumulated depreciation in both the governmental activities and business-type activities/enterprise fund were restated for the prior year affects of the change in calculation of accumulated depreciation. Net position was restated accordingly.

The effects of the above restatements are shown below:

	Fund Balance			Net Position	
	General Fund	Impact Fee Special Revenue Fund	Enterprise Fund	Governmental Activities	Business-type Activities
September 30, 2021, previously reported	\$ 3,822,969	\$ -	\$ 12,522,283	\$ 8,245,892	\$ 12,522,283
Establishment of impact fee special revenue fund	(1,845,079)	2,253,959	(408,880)	408,880	(408,880)
Effect of restatement to accumulated depreciation	-	-	(39,100)	(23,793)	(39,100)
September 30, 2021, as restated	\$ 1,977,890	\$ 2,253,959	\$ 12,074,303	\$ 8,630,979	\$ 12,074,303

Town of Dundee



(This page intentionally left blank)

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF DUNDEE, FLORIDA
 Budgetary Comparison Schedule – General Fund
 for the year ended September 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
REVENUES:				
Taxes	\$ 2,778,904	\$ 2,024,940	\$ 2,972,371	\$ 947,431
Licenses and permits	454,828	460,700	447,281	(13,419)
Intergovernmental revenue	587,031	626,810	847,714	220,904
Charges for services	108,868	149,160	256,479	107,319
Fines and forfeitures	10,500	8,250	19,776	11,526
Other	8,750	649,976	13,163	(636,813)
Total revenues	<u>3,948,881</u>	<u>3,919,836</u>	<u>4,556,784</u>	<u>636,948</u>
EXPENDITURES:				
General government	847,529	1,042,700	801,477	241,223
Public safety	1,534,725	1,608,220	1,586,076	22,144
Transportation	355,256	415,550	382,642	32,908
Culture/recreation	425,758	519,020	458,852	60,168
Capital outlay	542,187	495,406	699,935	(204,529)
Debt service	243,448	5,480	251,083	(245,603)
Total expenditures	<u>3,948,903</u>	<u>4,086,376</u>	<u>4,180,065</u>	<u>(93,689)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(22)</u>	<u>(166,540)</u>	<u>376,719</u>	<u>543,259</u>
OTHER FINANCING SOURCES (USES):				
Interfund transfers in (out)	125,000	125,000	135,423	(10,423)
Insurance proceeds	-	-	10,032	(10,032)
Sale of capital assets	-	41,540	846	40,694
Total other financing sources (uses)	<u>125,000</u>	<u>166,540</u>	<u>146,301</u>	<u>20,239</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ 124,978</u>	<u>\$ -</u>	<u>\$ 523,020</u>	<u>\$ 563,498</u>

Notes to Budgetary Comparison Schedule:

Basis of Accounting - The budget for the general fund was prepared on the modified accrual basis of accounting.

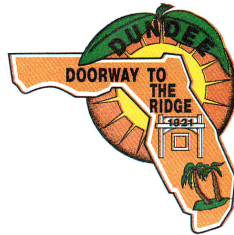
TOWN OF DUNDEE, FLORIDABudgetary Comparison Schedule – Impact Fee Special Revenue Fund
for the year ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ 1,493,086	\$ 1,316,897	\$ (176,189)
Total revenues	-	1,493,086	1,316,897	(176,189)
EXPENDITURES:				
Capital outlay	-	23,500	77,119	(53,619)
Total expenditures	-	23,500	77,119	(53,619)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	1,469,586	1,239,778	(229,808)
OTHER FINANCING SOURCES (USES):				
Interfund transfers in (out)	-	-	(27,462)	27,462
Total other financing sources (uses)	-	-	(27,462)	27,462
NET CHANGE IN FUND BALANCE	\$ -	\$ 1,469,586	\$ 1,212,316	\$ (202,346)

Notes to Budgetary Comparison Schedule:

Basis of Accounting - The budget for the impact fee special revenue fund was prepared on the modified accrual basis of accounting.

Town of Dundee



(This page intentionally left blank)

STATISTICAL SECTION

TOWN OF DUNDEE, FLORIDA

Statistical Section

(unaudited)

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Net Position by Component	47
Changes in Net Position	48-19
Fund Balances of Governmental Funds	50
Changes in Fund Balances of Governmental Funds	51

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Assessed and Estimated Actual Value of Taxable Property	52
Property Tax Rates – Direct and Overlapping Governments	53
Principal Property Taxpayers	54
Property Tax Levies and Collections	55

Debt Capacity

These debt schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	56
Ratios of General Bonded Debt Outstanding	57
Direct and Overlapping Governmental Activities Debt	58
Legal Debt Margin Information	59
Pledged-Revenues Coverage	60-61

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Demographic and Economic Statistics	62
-------------------------------------	----

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Principal Employers	63
Full-time Equivalent Town Government Employees by Function/Program	64
Operating Indicators by Function/Program	65
Capital Asset Statistics by Function	66

Town of Dundee, Florida
Schedule of Net Position - By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Governmental Activities</u>										
Net investment										
in capital assets	\$ 2,531,949	\$ 2,673,631	\$ 2,736,385	\$ 3,006,900	\$ 3,047,753	\$ 3,262,231	\$ 3,378,450	\$ 3,699,106	\$ 4,306,284	\$ 4,971,719
Restricted	612,767	555,443	683,047	586,071	954,255	1,173,382	1,770,645	1,970,624	2,460,355	4,240,739
Unrestricted	227,665	(2,495)	171,170	199,187	634,782	1,031,640	1,110,660	1,705,057	1,479,253	2,038,661
Total governmental activities net position	\$ 3,372,381	\$ 3,226,579	\$ 3,590,602	\$ 3,792,158	\$ 4,636,790	\$ 5,467,253	\$ 6,259,755	\$ 7,374,787	\$ 8,245,892	\$ 11,251,119
<u>Business-type activities</u>										
Net investment										
in capital assets	\$ 10,436,112	\$ 10,178,141	\$ 9,810,275	\$ 10,634,702	\$ 10,413,651	\$ 10,211,453	\$ 10,104,467	\$ 9,863,993	\$ 11,230,768	\$ 11,779,430
Restricted	467,983	463,141	467,733	530,462	665,252	764,799	738,975	745,678	798,735	417,913
Unrestricted	586,046	444,024	294,828	572,718	547,569	485,725	1,180,886	1,311,218	492,780	376,233
Total Business-type activities net position	\$ 11,490,141	\$ 11,085,306	\$ 10,572,836	\$ 11,737,882	\$ 11,626,472	\$ 11,461,977	\$ 12,024,328	\$ 11,920,889	\$ 12,522,283	\$ 12,573,576
<u>Primary Government</u>										
Net investment										
in capital assets	\$ 12,968,061	\$ 12,851,772	\$ 12,546,660	\$ 13,641,602	\$ 13,461,404	\$ 13,473,684	\$ 13,482,917	\$ 13,563,099	\$ 15,537,052	\$ 16,751,149
Restricted	1,080,750	1,018,584	1,150,780	1,116,533	1,619,507	1,938,181	2,509,620	2,716,302	3,259,090	4,658,652
Unrestricted	813,711	441,529	465,998	771,905	1,182,351	1,517,365	2,291,546	3,016,275	1,972,033	2,414,894
Total primary government net position	\$ 14,862,522	\$ 14,311,885	\$ 14,163,438	\$ 15,530,040	\$ 16,263,262	\$ 16,929,230	\$ 18,284,083	\$ 19,295,676	\$ 20,768,175	\$ 23,824,695

Sources: Information derived from the annual financial reports for the relevant year.

Town of Dundee, Florida
Schedule of Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses											
Governmental Activities:											
General Government	\$ 624,608	\$ 650,727	\$ 693,335	\$ 615,413	\$ 672,061	\$ 655,972	\$ 659,923	\$ 700,872	\$ 827,007	\$ 961,881	\$ 882,583
Library	138,234	96,979	95,304	97,637	109,253	108,351	108,533	142,558	167,764	189,777	166,823
Police	765,739	788,489	824,364	850,720	872,104	900,120	908,948	901,842	903,324	934,877	952,992
Fire	160,968	155,726	166,949	193,189	220,297	188,662	201,498	393,411	240,036	397,912	414,606
Building and zoning	115,061	116,247	78,641	79,755	94,345	148,049	176,205	205,069	72,651	90,452	213,241
Streets	299,659	247,917	266,710	298,972	358,665	325,251	354,461	422,018	453,774	511,394	512,028
Parks and recreation	208,461	149,360	156,358	150,789	132,312	132,295	143,156	127,172	180,740	243,735	311,712
Historic train depot	18,889	15,215	17,488	16,191	17,089	16,376	20,614	18,843	19,847	27,007	34,917
Code enforcement	25,464	9,808	1,363	1,546	12,688	11,917	16,044	16,135	31,197	68,361	86,905
Interest on long term debt	131,503	125,923	120,057	116,937	110,721	103,772	96,458	88,761	83,998	77,089	68,308
Total governmental activities expenses	2,488,586	2,356,391	2,420,569	2,421,149	2,599,535	2,590,765	2,685,840	3,016,681	2,980,338	3,502,485	3,644,115
Business-type activities:											
Water Utility	732,543	881,484	897,159	810,889	785,383	891,962	933,107	958,849	1,194,150	1,247,656	1,266,030
Sewer Utility	669,633	614,991	642,625	616,355	642,354	647,813	706,423	657,315	716,040	760,407	745,177
Stormwater Utility	66,877	105,837	96,070	62,481	72,843	85,616	52,052	67,797	75,938	130,883	117,629
Sanitation	405,551	382,912	394,647	414,968	375,326	394,033	407,962	434,541	436,392	594,127	640,648
Total business-type activities expenses	1,874,604	1,985,224	2,030,501	1,904,693	1,875,906	2,019,424	2,099,544	2,118,502	2,422,520	2,733,073	2,769,484
Total primary government expenses	\$ 4,363,190	\$ 4,341,615	\$ 4,451,070	\$ 4,325,842	\$ 4,475,441	\$ 4,610,189	\$ 4,785,384	\$ 5,135,183	\$ 5,402,858	\$ 6,235,558	\$ 6,413,599
Program revenues											
Governmental activities:											
Charges for services	\$ 153,009	\$ 119,843	\$ 103,791	\$ 173,141	\$ 222,075	\$ 426,322	\$ 454,459	\$ 693,656	\$ 317,553	\$ 368,078	\$ 605,827
Operating grants and contributions	45,603	34,276	32,594	37,355	33,571	58,459	89,385	75,308	291,046	352,605	558,948
Capital grants and contributions	75,056	10,036	35,414	197,128	176,401	432,701	380,420	267,741	306,827	682,122	1,416,791
Total governmental activities program rev.	273,668	164,155	171,799	407,624	432,047	917,482	924,264	1,036,705	915,426	1,402,805	2,581,566
Business-type activities:											
Charges for services	1,672,782	1,758,885	1,738,789	1,698,218	1,971,797	1,942,266	2,140,027	2,358,723	2,361,193	2,618,384	2,950,986
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,268,224	180,436	14,379	18,998	1,214,738	134,479	106,368	232,304	65,962	414,730	425,503
Total business-type program revenues	2,941,006	1,939,321	1,753,168	1,717,216	3,186,535	2,076,745	2,246,395	2,591,027	2,427,155	3,033,114	3,376,489
Total primary government program revenues	\$ 3,214,674	\$ 2,103,476	\$ 1,924,967	\$ 2,124,840	\$ 3,618,582	\$ 2,994,227	\$ 3,170,659	\$ 3,627,732	\$ 3,342,581	\$ 4,435,919	\$ 5,958,055
Net(expenses)/revenue											
Governmental activities	(2,214,918)	(2,192,236)	(2,248,770)	(2,013,525)	(2,167,488)	(1,673,283)	(1,761,576)	(1,979,976)	(2,064,912)	(2,099,680)	(1,062,549)
Business-type activities	1,066,402	(45,903)	(277,333)	(187,477)	1,310,629	57,321	146,851	472,525	4,635	300,041	607,005
Total primary government net expenses	\$ (1,148,516)	\$ (2,238,139)	\$ (2,526,103)	\$ (2,201,002)	\$ (856,859)	\$ (1,615,962)	\$ (1,614,725)	\$ (1,507,451)	\$ (2,060,277)	\$ (1,799,639)	\$ (455,544)

Sources: Information derived from the annual financial reports for the relevant year.

Town of Dundee, Florida
Schedule of
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 898,543	\$ 846,868	\$ 917,615	\$ 944,425	\$ 988,663	\$ 1,078,696	\$ 1,180,429	\$ 1,428,537	\$ 1,575,546	\$ 1,693,391
Franchise Taxes	289,385	278,917	303,639	308,598	296,552	307,106	336,597	381,688	320,844	387,181
Public Service Taxes	349,856	347,838	350,475	375,110	418,420	433,299	465,875	524,607	572,247	651,317
Fuel Taxes	208,006	217,923	229,610	248,371	259,201	228,920	240,205	255,412	250,174	276,490
State shared revenue	256,931	274,466	297,714	312,797	338,829	365,580	392,654	432,864	435,628	545,241
Investment earnings	5	4	3,411	4,442	-	-	-	-	-	-
Miscellaneous	93,769	9,450	22,582	29,718	47,519	26,728	31,718	31,836	76,018	20,262
Gain on sale of capital assets	-	-	-	-	-	-	-	-	40,328	846
Interfund transfer	-	127,502	252,502	145,583	168,731	151,710	125,000	125,000	(300,000)	107,961
Total governmental activities	2,096,495	2,102,968	2,377,548	2,369,044	2,517,915	2,592,039	2,772,478	3,179,944	2,970,785	3,682,689
Business-type Activities:										
Investment earnings	-	-	-	-	-	130	259	2,219	1,353	229
Miscellaneous	-	-	49	-	-	-	9,876	14,707	-	-
Gain on sale of capital assets	-	-	-	-	-	-	44,925	-	-	-
Interfund transfer	-	(127,502)	(252,502)	(145,583)	(168,731)	(151,710)	(125,000)	(125,000)	300,000	(107,961)
Total business-type activities	-	(127,502)	(252,453)	(145,583)	(168,731)	(151,580)	(69,940)	(108,074)	301,353	(107,732)
Total primary government	\$ 2,096,495	\$ 1,975,466	\$ 2,125,095	\$ 2,223,461	\$ 2,349,184	\$ 2,440,459	\$ 2,702,538	\$ 3,071,870	\$ 3,272,138	\$ 3,574,957
Change in Net Position										
Governmental activities	\$ (95,741)	\$ (145,802)	\$ 364,023	\$ 355,519	\$ 844,632	\$ 830,463	\$ 792,502	\$ 1,115,032	\$ 871,105	\$ 2,620,140
Business-type activities	(45,903)	(404,835)	(439,930)	(333,060)	(111,410)	(4,729)	402,585	(103,439)	601,394	499,273
Total Primary Government	\$ (141,644)	\$ (550,637)	\$ (75,907)	\$ 22,459	\$ 733,222	\$ 825,734	\$ 1,195,087	\$ 1,011,593	\$ 1,472,499	\$ 3,119,413

Sources: Information derived from the annual financial reports for the relevant year.

Town of Dundee, Florida
Schedule of
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 11,790	\$ 48,565	\$ 45,368	\$ 53,233	\$ 29,408	\$ -	\$ 47,301
Restricted	612,767	555,443	683,047	586,071	954,255	1,486,134	1,770,645	1,970,624	2,460,355	774,464
Assigned	26,824	-	-	-	-	-	299,050	321,668	-	-
Unassigned	263,263	42,842	223,936	251,429	578,376	697,192	782,243	1,341,995	1,362,614	1,679,145
Total General Fund	\$ 902,854	\$ 598,285	\$ 906,983	\$ 849,290	\$ 1,581,196	\$ 2,228,694	\$ 2,905,171	\$ 3,663,695	\$ 3,822,969	\$ 2,500,910
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	3,466,275
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,466,275

Town of Dundee, Florida
Schedule of Changes in
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 1,717,792	\$ 1,661,071	\$ 1,767,712	\$ 1,839,489	\$ 1,924,162	\$ 2,057,153	\$ 2,231,840	\$ 2,603,490	\$ 2,734,507	\$ 2,972,371
Licenses and Permits	37,279	39,174	89,655	142,303	297,010	699,061	629,186	477,960	850,788	1,764,178
Intergovernmental	314,433	334,543	429,161	452,306	556,620	455,105	485,474	741,592	495,936	847,714
Charges for services	68,126	56,246	68,995	71,083	81,607	87,012	81,896	46,698	125,884	256,479
Fines and forfeitures	14,438	8,371	14,491	8,688	47,705	27,205	66,250	35,626	11,718	19,776
Other	219,707	47,860	162,655	141,639	353,307	39,057	34,293	27,711	60,610	13,163
Total revenues	\$ 2,371,775	\$ 2,147,265	\$ 2,532,669	\$ 2,655,508	\$ 3,260,411	\$ 3,364,593	\$ 3,528,939	\$ 3,933,077	\$ 4,279,443	\$ 5,873,681
Expenditures										
Current:										
General Government	\$ 581,595	\$ 631,657	\$ 546,386	\$ 608,226	\$ 566,179	\$ 666,742	\$ 675,697	\$ 759,248	\$ 904,687	\$ 801,477
Public Safety	1,033,807	1,038,317	1,082,929	1,132,371	1,208,413	1,255,953	1,479,345	1,204,604	1,424,205	1,586,076
Transportation	204,012	227,079	251,267	279,259	261,860	288,338	342,869	361,263	401,271	382,642
Culture & Recreation	223,896	209,908	215,860	227,344	233,147	247,149	255,332	327,058	424,397	458,852
Debt Service:										
Principal retirement	109,950	115,531	123,736	131,696	138,592	145,850	153,488	169,741	172,673	181,385
Interest	131,503	125,923	120,057	111,749	104,853	97,595	89,957	85,255	78,410	69,698
Capital Outlay	244,490	230,921	195,238	368,139	184,192	170,785	136,017	525,222	454,854	777,054
Total expenditures	\$ 2,529,253	\$ 2,579,336	\$ 2,535,473	\$ 2,858,784	\$ 2,697,236	\$ 2,872,412	\$ 3,132,705	\$ 3,432,391	\$ 3,860,497	\$ 4,257,184
Excess(deficiency) of revenues over(under) expenditures	\$ (157,478)	\$ (432,071)	\$ (2,804)	\$ (203,276)	\$ 563,175	\$ 492,181	\$ 396,234	\$ 500,686	\$ 418,946	\$ 1,616,497
Other financing sources(uses)										
Transfers in (out)	-	127,502	252,502	145,583	168,731	151,709	125,000	125,000	(300,000)	107961
Impact Fees	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	3,608	-	-	40,328	846
Insurance proceeds	-	-	-	-	-	-	155,243	2,838	-	10,032
Proceeds from Borrowing	-	-	59,000	-	-	-	-	130,000	-	-
Total other financing sources (uses)	\$ -	\$ 127,502	\$ 311,502	\$ 145,583	\$ 168,731	\$ 155,317	\$ 280,243	\$ 257,838	\$ (259,672)	\$ 118,839
Net change in fund balance	\$ (157,478)	\$ (304,569)	\$ 308,698	\$ (57,693)	\$ 731,906	\$ 647,498	\$ 676,477	\$ 758,524	\$ 159,274	\$ 1,735,336
Debt service as percentage of non-capital expenditures	10.6%	10.3%	10.4%	9.8%	9.6%	9.1%	8.2%	8.7%	7.9%	8.0%

Town of Dundee, Florida
Schedule of
Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Fiscal Years

Fiscal Year	Real Property	Assessed Value of Personal Property	Centrally Assessed Property	Taxable Assessed Valuation	Total Direct Tax Rate
2012	\$ 96,543,172	\$ 19,436,003	\$ -	\$ 115,979,175	7.6500
2013	97,851,773	20,692,517	-	118,544,290	7.6495
2014	102,017,914	20,541,091	-	122,559,005	7.9500
2015	109,751,544	19,889,389	-	129,640,933	7.9000
2016	119,544,886	19,395,049	-	138,939,935	7.9000
2017	134,397,480	20,787,218	-	155,184,698	7.9000
2018	154,901,578	31,003,390	-	185,904,968	7.9000
2019	176,141,915	29,118,538	-	205,260,453	7.9000
2020	191,485,028	28,685,281	-	220,170,309	7.9000
2021	219,924,238	29,395,969	-	249,320,207	7.9000

(1) The State of Florida, by statute, requires property appraisers to assess all property within the State at 100% of market value. Therefore, the assessed valuation and estimated actual value is the same.

* Data not available

Source: Polk County Property Appraiser

Note: Property in the Town is assessed each year. Tax rates are per \$1,000 of assessed value.

Town of Dundee, Florida
Schedule of
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Dundee	Polk County (BOCC)	Polk County School Board	Lakes Management	Southwest Florida Water Management District	Total
2012	7.6495	6.8665	7.492	0.4996	0.3928	23.0617
2013	7.9495	6.8665	7.547	0.4924	0.3818	22.8894
2014	7.9495	6.8665	7.208	0.4924	0.3658	23.2212
2015	7.9000	6.7815	7.149	0.4715	0.3488	22.8652
2016	7.9000	6.7815	7.149	0.4512	0.3488	22.6508
2017	7.9000	6.7815	6.514	0.4214	0.3131	22.5948
2018	7.9000	7.1565	6.251	0.4214	0.2955	21.9124
2019	7.9000	7.1565	6.086	0.4214	0.2801	21.4226
2020	7.9000	6.899	5.935	0.4100	0.2669	21.0090
2021	7.9000	6.899	5.829	0.4214	0.2480	21.2974

* Data not available

*Source Polk County Property Appraisers Final Millage Rates

**Town of Dundee, Florida
Schedule of
Principal Property Tax Payers
For the Current Year and Ten Years Prior**

Taxpayer	2021		2012	
	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Value
Dundee Citrus Growers Assoc	8,303,270	3.04%	*	*
Lauderdale Dell Lakes Village	5,682,754	2.08%	*	*
Colvard Earl W	3,711,952	1.36%	*	*
Dundee Plaza LLC	3,448,777	1.26%	*	*
Greenfield Village RV Park LLC	1,935,418	0.71%	*	*
LGI Homes Florida LLC	1,953,480	0.72%	*	*
CPI Amherst SFR Program II Owner LLC	1,845,690	0.68%	*	*
Maxijet Inc.	1,797,367	0.66%	*	*
Duff Real Estate LLC	1,686,601	0.62%	*	*
Royal Oaks Co Op Inc	1,196,405	0.44%	*	*
	<u>31,561,714</u>	<u>11.57%</u>		

* Data not available

Source: Polk County Tax Collector

**Town of Dundee, Florida
Schedule of
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Prior Year Tax Collections	Total Tax Collections	Ratio of Levy to Collections
2012	\$ 929,828	\$ 894,022	96.15%	\$ 4,428	\$ 898,450	96.63%
2013	889,375	844,263	94.93%	2,551	846,814	95.21%
2014	945,846	906,201	95.81%	9,414	915,615	96.80%
2015	978,627	939,774	96.03%	4,546	944,320	96.49%
2016	1,023,273	984,488	96.21%	4,030	988,518	96.60%
2017	1,095,849	1,056,085	96.37%	22,221	1,078,307	98.40%
2018	1,225,959	1,175,269	95.87%	5,161	1,180,430	96.29%
2019	1,621,558	1,474,192	90.91%	5,453	1,479,645	91.25%
2020	1,739,345	1,629,566	93.69%	8,008	1,637,574	94.15%
2021	1,969,630	*	*	*	*	*

* Data not available

Town of Dundee, Florida
Schedule of
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business - Type Activities	Total Primary Government	Town of Dundee Personal Income	Percentage of Income	Per Capita
	Notes Payable	Notes Payable				
2012	2,405,779	6,054,947	8,460,726	116,363,600	7.27%	2,227
2013	2,285,312	5,883,639	8,168,951	118,958,112	6.87%	2,145
2014	2,218,433	5,704,040	7,922,473	123,167,652	6.43%	2,044
2015	2,086,737	5,515,846	7,602,583	129,528,556	5.87%	1,913
2016	1,948,145	5,318,654	7,266,799	138,796,672	5.24%	1,763
2017	1,802,295	5,112,024	6,914,319	154,608,149	4.47%	1,583
2018	1,648,807	4,895,506	6,544,313	168,065,100	3.89%	1,404
2019	1,609,066	4,758,963	6,368,029	102,471,104	6.21%	1,285
2020	1,436,393	4,590,945	6,027,338	106,646,848	5.65%	1,168
2021	1,255,008	4,464,669	5,719,677	*	*	1,030

Sources Personal Income derived from State of Florida Personal Income using Town of Dundee Population from University of Florida BEBR

**Town of Dundee, Florida
Schedule of
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

General Bonded Debt Outstanding

The City has not had any general bonded debt in the past ten fiscal years.

Source: Town of Dundee Finance Department

Town of Dundee, Florida
Schedule of
Direct and Overlapping Governmental Activities Debt
9/30/2021

Jurisdiction	Debt Outstanding	Percentage Applicable to Dundee	Amount Applicable to Dundee
District School Board of Polk County	\$ 369,522,680	0.57% (1)	\$ 2,109,960
Polk County Board of County Commissioners	179,979,649	0.57% (2)	1,027,677
Total Overlapping Debt			3,137,637
Total Direct Debt			1,255,008
Total Direct and Overlapping Debt			<u>\$ 4,392,645</u>

(1) The percentage of overlapping debt applicable is calculated as a ratio of taxable assessed property values in the Town of Dundee to total taxable valuation of property in Polk County

Sources:

(1) School Board of Polk County June 30, 2020 Comprehensive Annual Financial Report (latest available)

(2) Polk County, Florida September 30, 2020 Comprehensive Financial Report (latest available)

**Town of Dundee, Florida
Schedule of
Legal Debt Margin Information
Last Ten Fiscal Years**

The City Charter and Florida State Statute 200.181 does not provide for legal debt limit.

Source: Town of Dundee Finance Department

**Town of Dundee, Florida
Schedule of
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year (*)	Gross Revenue		Less: Water and Sewer Operating Expenses (3)	Net Revenues (4)	Debt Service	Coverage (5)
	Water and Sewer Revenue (1)	Half-cent Sales Tax Revenue (2)				
2013	\$ 1,098,491	\$ 210,182	\$ 702,400	\$ 606,273	\$ 264,127	2.30
2014	1,039,469	225,416	618,244.00	646,641	264,225	2.45
2015	1,288,610	217,390	630,731.00	875,269	264,232	3.31
2016	1,244,946	238,977	717,613.00	766,310	264,228	2.90
2017	1,407,309	246,843	997,844.00	656,308	264,231	2.48
2018	1,604,899	265,811	817,738.00	1,052,972	264,227	3.99
2019	1,591,548	294,589	1,009,361.00	876,776	264,225	3.32
2020	1,697,343	305,506	1,187,991.00	814,858	264,229	3.08
2021	1,963,948	374,543	1,199,154.00	1,139,337	264,229	4.31

(1) Gross water and sewer revenues include all money received from rates, fees, rentals or other charges received by the Town or accrued to it in the management and operation of the water and sewer system

(2) Proceeds from the local government half-cent sales tax reviewed from the State of Florida pursuant to the provisions of Chapter 218, Part IV, Florida Statutes

(3) Operating expenses include all costs of operating the water and sewer system but does not include depreciation expense and renewal and replacement reserve payments, the annual bond service requirement or transfers to other funds

(4) Net revenues is equal to gross revenue less operating expenses

(5) Net revenues divided by Debt Service

(*) - Data not available for years prior to 2011

**Town of Dundee, Florida
Schedule of
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year (*)	Franchise Fees (1)	Public Service Taxes (2)	Total Revenues	Debt Service	Coverage (3)
2012	\$ 288,765	\$ 349,855	\$ 638,620	\$ 401,852	1.59
2013	278,917	347,838	626,755	401,852	1.56
2014	303,640	350,474	654,114	401,852	1.63
2015	313,458	345,615	659,073	401,852	1.64
2016	301,868	356,397	658,265	401,852	1.64
2017	307,106	368,495	675,601	401,852	1.68
2018	336,597	397,997	734,594	403,852	1.82
2019	381,689	450,809	832,498	401,852	2.07
2020	320,844	489,110	809,954	401,852	2.02
2021	355,824	651,316	1,007,140	401,852	2.51

- (1) Franchise fees charged for the right to supply electricity and solid waste collection and disposal services to the Town and its residents.
- (2) Public service taxes on the sale of electricity, natural gas and propane within the corporate limits of the Town.
- (3) Total Revenues divided by Debt Service

**Town of Dundee, Florida
Schedule of
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income	Median Age (2)	School Enrollment (3)	Unemployment Rate for Polk County (4)
2021	5,551	*	*	*	*	4.1
2020	5,159	20,672	106,646,848	40.2	1,482	7.4
2019	4,957	20,672	102,471,104	40.2	1,303	3.0
2018	4,662	36,050	168,065,100	34	1,376	3.7
2017	4,368	35,396	154,608,149	38	1,329	4.6
2016	4,123	33,664	138,796,672	40.5	1,381	8.2
2015	3,974	32,594	129,528,556	39.8	1,273	6.8
2014	3,876	31,777	123,167,652	39.8	1,188	8.6
2013	3,808	31,239	118,958,112	37.8	1,525	10.7
2012	3,800	30,622	116,363,600	37.8	1,668	13.3

* Information not available

(1) University of Florida BEBR

(2) Office of Economic & Demographic Research - State of Florida

(3) Polk County School Board

(4) Florida Agency for Workforce Innovation

Town of Dundee, Florida
Schedule of
Principal Employers
For the Current Year and Ten Years Prior

Employer	Type of Business	2021			2011		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Dundee Citrus Growers Assn	Citrus Processing	300	1	32%	*	*	*
Polk County School Board	Education	262	2	28%	*	*	*
Travis Resmondo Sod	Sod Producer	100	3	11%	*	*	*
B.L. Smith Electric	Electrical Contractor	42	4	5%	*	*	*
Frozen Food Express	Trucking Transportation	50	5	5%	*	*	*
Davidson's of Dundee	Citrus Jelly & Candy Producer	50	6	3%	*	*	*
Mister Landscaper	Irrigation Manufacturer	42	7	4%	*	*	*
Maxi Jet	Irrigation Manufacturer	39	8	5%	*	*	*
Blue Ribbon Citrus	Citrus Packers & Shippers	25	9	3%	*	*	*
Polk County Road Maintenance	County Road Maintenance	22	10	5%	*	*	*
		932			*		

Estimated Total Town Employment

(1) Source: Central Florida Development Council - calls to the business

* Data not available

Town of Dundee, Florida
Schedule
Full Time Equivalent Town Government Employees by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL FUND										
City Commission	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
City Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Safety	*	*	*	*	*	*	*			
Police	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fire	2.5	3.0	2.5	2.5	2.0	2.0	2.0	2.0	4.0	6.0
Building & Zoning	3.0	1.0	1.0	1.0	1.0	0.5	1.0	1.0	3.0	3.0
Library	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Parks & Recreation	2.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0	3.0	4.0
DPW Administration										
Building Maintenance	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CGMP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sanitation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Roads & Streets	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
Total General Fund	21.0	17.5	16.5	16.5	16.0	16.5	18.5	18.5	23.5	26.5
ENTERPRISE FUND										
Utilities (Water & Wastewater)	6.0	7.0	5.0	5.0	5.0	6.0	6.0	6.0	9.0	9.0
Stormwater	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
Total Enterprise Fund	7.0	7.0	5.0	5.0	5.0	6.0	6.0	7.0	10.0	10.0
TOTAL STAFF	28.0	24.5	21.5	21.5	21.0	22.5	24.5	25.5	33.5	36.5

(1) Source: Town of Dundee Payroll

Town of Dundee, Florida
Operating Indicators by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Calls for Service	9,074	10,236	10,862	7,501	7,052	3,279	3,350	4,656	6,727	
Citations	56	206	464	286	437	401	417	276	270	
Fire Control										
Number of Calls	345	436	395	383	395	588	680	669	864	1,056
Building Department										
Permits Issued	121	120	160	204	235	316	476	332	441	429
Leisure Services										
Library Visitations	49,452	48,985	38,384	38,384	33,523	33,990	21,000	18,957	11,097	2,483
Circulation	23,447	18,386	15,950	15,136	13,580	15,429	13,926	13,657	10,888	9,691
Facility Rentals	40	40	24	37	54	47	48	40	14	54
Human Services										
Business Tax Receipts	246	400	295	314	291	300	300	302	174	185
Solid Waste										
Refuse collected (Tons)	*	*	*	407	1,180	1,362	1,628	1,635	3,120	3,120
Brush collected (Tons)	*	*	*	204	51	200	196	201	300	300
Commercial Customers	158	165	153	141	140	140	145	149	182	153
Residential Customers	1,040	1,068	1,084	1,147	1,206	1,301	1,426	1,499	1,633	2,031
Public Works										
Street Resurfacing (Miles)	2	-	-	2	-	1	-	-	-	2
Water										
New Connections	*	6	16	23	57	77	75	72	94	166
Number of Customers	1,316	1,324	1,340	1,363	1,420	1,497	1,795	1,888	2,101	2,461
Wastewater										
New Connections	6	12	-	44	44	50	65	58	91	162
Number of Customers	300	317	317	361	405	510	575	695	828	1,115
Avg Daily Sewage Treatment	116,000	117,000	110,000	120,000	134,000	140,000	140,000	140,000	140,000	140,000

* : Information not available

Source -Town Departments

Town of Dundee, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Station	1	1	1	1	1	1	1	1	1	1
Fire Trucks	4	4	4	4	4	4	4	4	4	4
Transportation										
Street Miles	53.96	53.96	53.96	53.96	53.96	53.96	53.96	53.96	53.96	55.15
Traffic Signals	4	4	4	4	4	4	4	4	4	4
Leisure Services										
Parks	8	8	8	8	8	8	8	8	8	8
Parks Acreage	139	139	139	139	139	139	139	139	139	139
Rental Facilities	1	1	1	1	1	1	1	1	1	2
Playgrounds	2	2	2	2	2	2	2	2	2	2
Library	1	1	1	1	1	1	1	1	1	1
Baseball Fields	2	2	2	2	2	2	2	2	2	2
Basketball Courts	1	1	1	1	1	1	1	1	1	1
General Government										
Number of Buildings	5	5	5	5	5	5	5	5	6	6
Water										
Water Treatment Plants	1	1	1	1	1	1	1	1	1	1
Fire Hydrants	178	178	178	178	178	178	178	179	179	179
Water Main Miles	19	19	19	19	19	19	19	19	19	19
Wastewater										
Wastewater Treatment Plant	1	1	1	1	1	1	1	1	1	1
Lift Stations	11	11	11	11	11	11	11	11	11	11
Sanitary Sewer Miles	23	23	23	23	23	23	23	23	23	23

* : Information not available

Source - Town Departments

OTHER REPORTS

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

Honorable Mayor and Members of the Town Commission
Town of Dundee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Dundee, Florida as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Town of Dundee, Florida's basic financial statements, and have issued our report thereon dated April 25, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and recommendations as items 2020-001 and 2020-002 that we consider to be material weaknesses.

Compliance and Other Matters

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

Honorable Mayor and Members of the Town Commission
Town of Dundee, Florida

Town of Dundee, Florida' Response to Findings

Town of Dundee, Florida's response to the findings identified in our audit is described in the accompanying letter of management response. Town of Dundee, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
April 25, 2022

MANAGEMENT LETTER

Honorable Mayor and Members of the Town Commission
Town of Dundee, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Dundee, Florida as of and for the year ended September 30, 2021, and have issued our report thereon dated April 25, 2022.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 25, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except for following findings.

Tabulation of Uncorrected Audit Findings		
Current Year Finding	2019-20 FY Finding	2018-19 FY Finding
2020-001	2020-001	Na
2020-002	2020-002	Na
2020-004	2020-004	Na

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. For the legal authority of the Town of Dundee, Florida, see footnote A of the summary of significant accounting policies in the notes to financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Town of Dundee, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit of the financial statements of the Town of Dundee, Florida, we determined that the Town of Dundee, Florida did not meet any of the specified conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town of Dundee, Florida. It is management's responsibility to monitor the Town of Dundee, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no such recommendations.

Other Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we noted findings 2020-004 and 2021-001 in the accompany schedule of findings and recommendations.

Town of Dundee's Response to Findings

Town of Dundee, Florida's response to the findings identified in our audit is described in the accompanying letter of management response. Town of Dundee, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, members of the Town Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
April 25, 2022



INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES

Honorable Mayor and Members of the Town Commission
Town of Dundee, Florida

We have examined Town of Dundee, Florida's compliance with Section 218.415, Florida Statutes for the year ended September 30, 2021. Management is responsible for Town of Dundee, Florida's compliance with those specified requirements. Our responsibility is to express an opinion on Town of Dundee, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards required that we plan and perform the examination to obtain reasonable assurance about whether the Town of Dundee, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Town of Dundee, Florida complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination of Town of Dundee's compliance with the specified requirements.

In our opinion, Town of Dundee, Florida complied, in all material respects, with the aforementioned requirements of Section 218.415, Florida Statutes for the year ended September 30, 2021.

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
April 25, 2022

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
TOWN OF DUNDEE, FLORIDA**

2020-001 – Bank Reconciliations

Type: Material Weakness - Uncorrected from prior year.

Criteria: Good internal control requires that a proper reconciliation between the Town's bank statements and the related general ledger balances be performed monthly, and this bank reconciliation process should be performed by someone other than the preparer of bank deposits and the individuals preparing checks.

Condition: During our current audit we continue to report that the Town's bank accounts are not being reconciled properly and as a result, we identified several errors resulting in material audit adjustments as summarized below:

- A \$114,900 transfer between Town bank accounts was posted to the wrong accounts and never identified by management.
- Cash receipts totaling \$70,750 had been received in the Town bank accounts but were not recorded in the Town's accounting information system.

Cause: Improper bank reconciliation processes.

Effect: Without a proper reconciliation between the Town's bank statements and the related general ledger balances, there is no assurance that all cash transactions have been recorded nor any assurance that errors are identified and corrected in a timely manner.

Recommendation: We recommend that the activity posted to the Town's bank accounts be monitored and reconciled monthly to provide assurance that the activity posted to the bank accounts and the related general ledger balances are correct.

View of Responsible Official: *See accompanying letter of management's response.*

2020-002 – Internal Control Over Financial Reporting

Type: Material Weakness - Uncorrected from prior year.

Criteria: The Town's internal control over financial reporting should provide reasonable assurance that all transactions are properly recorded to the general ledger.

Condition: While showing improvement, the Town's internal controls over financial reporting failed to detect many misstatements resulting in material audit adjustments.

Cause: The year-end closing and review process was not adequate to ensure that the financial records were materially correct.

Effect: The Town's year-end financial statements contained material misstatements that were subsequently identified by the auditors who then proposed correcting entries that were accepted and posted by the Town's management.

Recommendation: We recommend continued training of Town accounting personnel to further the knowledge and improve the skills required to adequately review the general ledger and prepare financial reports that are free of material misstatements.

View of Responsible Official: *See accompanying letter of management's response.*

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
TOWN OF DUNDEE, FLORIDA**

2020-004 – Building Permit Fees

Type: Management letter finding under Chapter 10.554(1)(i)(3), Rules of the Auditor General - Uncorrected from prior year.

Criteria: Section 553.80(7), Florida Statutes allows local governments to carry forward unspent building permit fees to be used in subsequent years for allowable activities, but the carry forward amount cannot exceed the average of its operating budget for enforcing the Florida Building Code for the previous 4 fiscal years.

Condition: During our audit we identified the Town's unspent building permit fees subject to the cap totaled \$564,776 on September 30, 2021. This balance exceeded the average costs incurred to enforce the Florida Building Code over the prior 4 fiscal years by \$392,174. The unspent building permit fees above do not include the amounts reserved in the Dundee Building Construction Fund account of \$148,845 which the Town has been advised by their legal counsel as being exempt from the carryforward cap.

On November 10, 2021 the Town purchased real property to be used as the operating facility for the development services and code enforcement departments for \$452,478. The purchase price minus the Dundee Building Construction Fund account of \$148,845 was equal to \$303,633 which was funded by the unspent building permit fees subject to the aforementioned cap.

The Town's unspent building permit fees exceeded the aforementioned cap by \$88,541 after the purchase of this real property.

Cause: Building permit receipts have exceeded allowable uses to the extent the unspent balance exceeds the average costs incurred to enforce the Florida Building Code over the prior 4 fiscal years.

Effect: Noncompliance.

Recommendation: We recommend that management work with the Town Attorney to analyze the statutory requirements and to take whatever actions are deemed necessary to ensure Town compliance with Section 553.80, Florida Statutes.

View of Responsible Official: *See accompanying letter of management's response..*

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
TOWN OF DUNDEE, FLORIDA**

2021-001 – Budgetary Compliance

Type: Management letter finding under Chapter 10.554(1)(i)(3), Rules of the Auditor General

Criteria: Section 166.241, Florida Statutes requires the following:

- The Town may not expend or contract for expenditures except pursuant to the adopted budget.

Condition: During our audit we identified the following:

- Actual expenditures of the general fund exceeded total budgeted appropriations by \$93,689 for the year ended September 30, 2021, resulting in expenditures being made that were not pursuant to the final amended budget.
- The original adopted budget document posted to the Town website contained errors and did not agree to the proposed budget from the meeting agenda at the time the budget was adopted on September 9, 2020.

Cause: The spreadsheet used to prepare the budget contains many errors and the final budget amendment was not adequate to cover annual expenditures in the general fund.

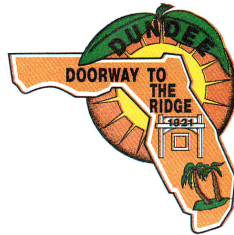
Effect: Noncompliance.

Recommendation: We recommend that management strengthen internal control over the accuracy of budgetary reporting, including a detail review of the mathematical accuracy of any spreadsheet utilized as well as a concurring review of the final budget document. Management should also consider using the Town's accounting information budget preparation module and worksheets to minimize errors.

Town expenditures should be monitored throughout the year to provide assurance that the Town does not expend funds in excess of the approved appropriations.

View of Responsible Official: *See accompanying letter of management's response.*

Town of Dundee



(This page intentionally left blank)

OTHER INFORMATION



Town of Dundee

Town Manager

◆ 202 E. Main Street ◆ PO Box 1000 ◆ Dundee, Florida 33838 ◆ (863) 438-8330 ◆ Fax (863) 438-8338

April 25, 2022

Dundee Town Commission
202 E Main Street
Dundee, Florida 33838

Honorable Mayor and Commissioners:

Town Management agrees with the following Audit Findings and are addressing the items and implementing corrections as needed to minimize recurring findings.

2020-001: Bank Reconciliations

During the audit it was noted that the Town's bank accounts are not being reconciled properly and as a result, several errors were identified resulting in material audit adjustments as summarized below:

- A \$114,900 transfer between Town bank accounts was posted to the wrong accounts and failed to be identified by management.
- Cash receipts totaling \$70,750 had been received in the Town bank accounts but were not recorded in the Town's accounting information system.

2020-002: Internal Control Over Financial Reporting

The Town's internal controls over financial reporting should provide reasonable assurance that all transactions are properly recorded to the general ledger. The Town's internal controls over financial reporting failed to detect mistakes recorded to the general ledger resulting in material audit adjustments.

2020-004: Building Permit Fees

Section 553.80(7), Florida Statutes allows the local government to carry forward unspent building permit fees to be used in subsequent years for allowable activities. The carry forward amount cannot exceed the average of its operating budget for enforcing the Florida Building Code for the previous 4 fiscal years. The audit identified the Town's unspent building permit fees subject to the cap total of \$564,776 on September 30, 2021. This balance exceeded the average costs incurred to enforce the Florida Building Code over the prior 4 fiscal years by \$392,174. The unspent building permit fees above do not include the amounts reserved in the Dundee Building Construction Fund account of \$148,845 which the Town has been advised by legal counsel as being exempt from the carry forward cap.

On November 10, 2021, the Town purchased real property to be used as the operating facility for the development services and code enforcement department for \$452,478. The purchase price, subtracting the Dundee Building Construction Fund account of \$148,845, was equal to \$303,633 which was funded by the unspent building permit fees subject to the aforementioned cap.

Management Response:

In May 2021, the hired CPA was able to bring the existing finding into compliance. Although there are six (6) findings, the Finance department was able to bring several of the findings into compliance. Town Staff and the CPA are working diligently to train and equip the new Finance Director to identify, reduce, and eliminate errors. A main objective is to have all bank statements reconciled each month to reduce errors and allow the department to gain the proper internal controls over the financial reporting.

Management continues to recognize the need for accurate and timely financial reporting. The Finance Director, with the assistance of the CPA firm, will continue to strive for full financial compliance. Management has sought additional supports from the CPA firm to address the current finding and identify other financial reporting matters.

Pertaining to the Building Permit Fees, the Town purchased the new Development Services Building on November 10, 2021. However, even with that purchase, the Town was still over the average by \$88,541 which was spent in this current fiscal year in the renovation of the purchased building. Management is continuing to seek other avenues to help define challenges with the possibility of rebates.

2021-001 – Budgetary Compliance:

Section 166.241, Florida Statutes requires the following:

- The Town may not expend or contract for expenditures except pursuant to the adopted budget.

During the audit, the following was identified - Actual expenditures of the general fund exceeded total budgeted appropriations by \$93,689 for the year ending September 30, 2021, resulting expenditure being made that were not pursuant to the final amended budget.

Management Response:

Management will continue to increase the level of internal controls related to finance reports and will monitor journal entries which were a factor in this finding.

The Finance Director will work with the CPA to align budget preparatory with the government system to reduce errors from the existing excel spreadsheets.

Factoring in both options listed above, will allow the Town's budget to become more transparent and free of errors.

Noting that 2020 and 2021 were turbulent years for the Town considering the continued effects of COVID-19 and staff transitions- specifically in the finance department. Management will continue to work diligently to address all concerns expressed by the external auditors understanding that compliance is a key factor to a successful run local government.

I am excited to lead the Town of Dundee in a more efficient and financially sustainable direction and give thanks to Brynjulfson CPA, PA for bringing these matters to the Town's attention and for the opportunity to address them.

Sincerely,



Tandra Davis
Town Manager
Town of Dundee