

# Comprehensive Annual Financial Report



The Town of Dundee, Florida

For the Year Ended  
September 30, 2019

**TOWN OF DUNDEE, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended September 30, 2019

**Prepared by:**

Finance Department of the Town of Dundee

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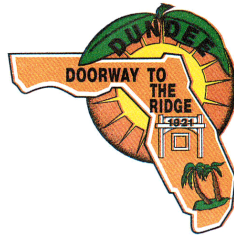
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# *Town of Dundee*



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## **INTRODUCTORY SECTION**

# *Town of Dundee*



## **Principal Town Officials**

### Mayor

Samuel Pennant

Term Expiration: April 2022

### Commissioner, Seat #1

Bertram Goddard

Term Expiration: April 2022

### Commissioner, Seat #2

Steven Glenn

Term Expiration: April 2021

### Commissioner, Seat #3

Willie Quarles

Term Expiration: April 2022

### Commissioner, Seat #4

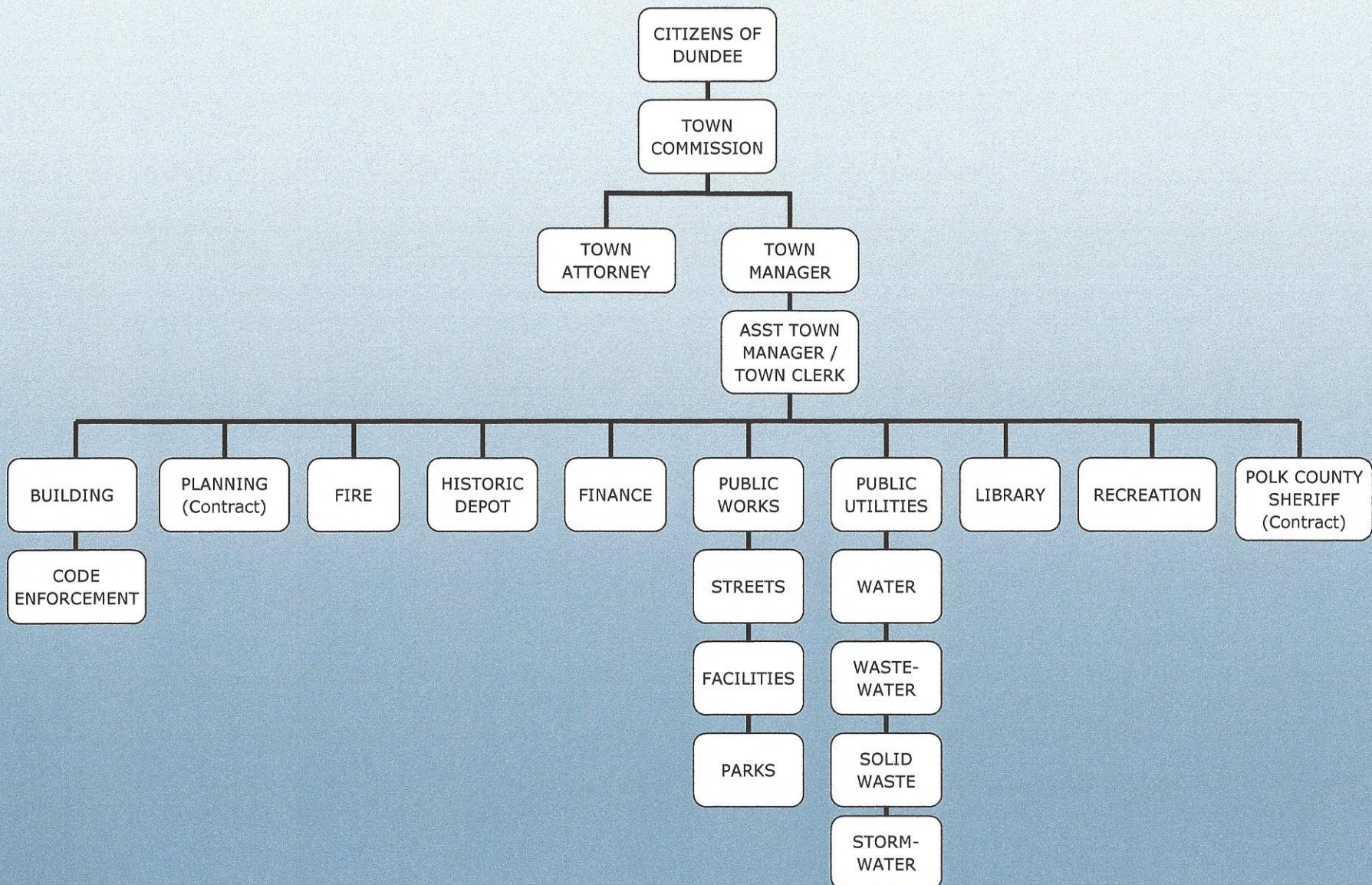
Rukhsana Harper

Term Expiration: April 2021

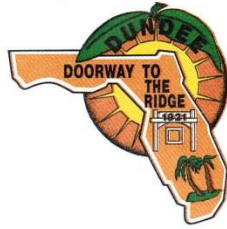
*\*The next regular election is scheduled for April 6, 2021. The following seats will be up for election:  
Seat #2, and Seat #4.*

# Town of Dundee, Florida

## Organizational Chart



# *Town of Dundee*



March 26, 2020

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 Comprehensive Annual Financial Report (CAFR). This report addresses the Town's finances for the fiscal year ended September 30, 2019. 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 had 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 part of 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 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, 2019, 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, 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 is 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 and wastewater service, 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 \$1,341,995. 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:

- Road widening project with FDOT, relocating water/sewer lines
- Clarifier for the Wastewater Department
- Purchase of SUV for Building Department
- Roadway Construction for Race Road
- Establish Full time personnel for Building Department
- Upgrade to Town Phone System
- New Appliances for the Community Center
- Conduct Impact Fee Study

## **Major Initiatives**

During the fiscal year 2019, 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:

- Customer Portal for Utility Bills
- Demolition of 705 Adams
- Purchased a Used Fire Truck
- Purchased a New F-150 for Building Department
- Established inter-local agreement for Code Enforcement Officer
- ADA Compliance Doors for Town Hall, Library and Community Center
- Upgrade Town Phone Network to VOIP

## **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 Comprehensive Annual Financial Report (CAFR) for the fiscal year end of September 30, 2018. 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 CAFR, which satisfies both generally accepted accounting principles and applicable legal requirements.

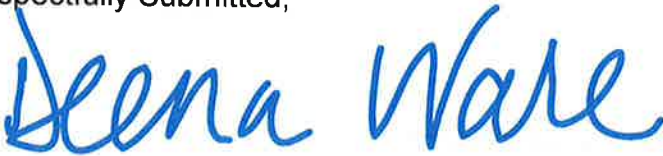
A Certificate of Achievement is only valid for one year. We believe the current CAFR continues to meet the requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

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. The significant amount of year-end closing procedures required prior to the audit could not have been accomplished without the expertise of Cindy Baker with Clifton Larson Allen LLP.

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,



Deena Ware, Town Manager



Tandra S. Davis, Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Dundee  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrell*

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 and each major fund of the Town of Dundee, Florida as of and for the year ended September 30, 2019, 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 and each major fund of the Town of Dundee, Florida, as of September 30, 2019, 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.

## **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 on page 43 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 statement 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 March 26, 2020, 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 March 26, 2020 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  
March 26, 2020

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**  
**TOWN OF DUNDEE, FLORIDA**

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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, 2019. 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 \$19,295,676 (net position). Of this amount, \$3,336,931 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,011,593.
- As of the close of the current fiscal year, the Town's general fund (governmental fund level) reported ending fund balance of \$3,663,695. Of this total amount, \$1,663,663 is available for spending at the government's discretion (unassigned and assigned fund balance).

**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 comprise 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 and parks 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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**  
**TOWN OF DUNDEE, FLORIDA**

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**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 two categories: governmental funds and proprietary 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 only one governmental fund which is the general fund and 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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**  
**TOWN OF DUNDEE, FLORIDA**

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**Fund Financial Statements (cont...)**

**Proprietary Funds (cont...)**

*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 has no fiduciary funds.

**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 statement for the general fund which can be found by referencing the table of contents of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**  
**TOWN OF DUNDEE, FLORIDA**

**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,**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Current and other assets	\$4,015,945	\$ 3,112,628	\$ 2,329,326	\$ 2,191,826	\$ 6,345,271	\$ 5,304,454
Capital assets	5,308,172	5,027,257	15,024,244	15,456,071	20,332,416	20,483,328
Total assets	<u>9,324,117</u>	<u>8,139,885</u>	<u>17,353,570</u>	<u>17,647,897</u>	<u>26,677,687</u>	<u>25,787,782</u>
Current and other liabilities	330,496	221,414	664,842	722,811	995,338	944,225
Long-term liabilities	1,618,834	1,658,716	4,767,839	4,900,758	6,386,673	6,559,474
Total liabilities	<u>1,949,330</u>	<u>1,880,130</u>	<u>5,432,681</u>	<u>5,623,569</u>	<u>7,382,011</u>	<u>7,503,699</u>
Net position:						
Net investment in capital assets	3,699,106	3,378,450	9,863,993	10,104,467	13,563,099	13,482,917
Restricted	1,970,624	1,770,645	745,678	738,975	2,716,302	2,509,620
Unrestricted	1,705,057	1,110,660	1,311,218	1,180,886	3,016,275	2,291,546
Total net position	<u>\$7,374,787</u>	<u>\$ 6,259,755</u>	<u>\$11,920,889</u>	<u>\$12,024,328</u>	<u>\$19,295,676</u>	<u>\$18,284,083</u>

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.

Fourteen percent (14%) 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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**  
**TOWN OF DUNDEE, FLORIDA**

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,**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Revenues:</b>						
<i>Program Revenues:</i>						
Charges for services	\$ 317,553	\$ 693,656	\$ 2,361,193	\$ 2,358,723	\$ 2,678,746	\$ 3,052,379
Operating grants and contributions	291,046	75,308	-	-	291,046	75,308
Capital grants and contributions	306,827	267,741	65,962	232,304	372,789	500,045
<i>General revenues:</i>						
Property taxes	1,428,537	1,180,429	-	-	1,428,537	1,180,429
Other taxes	1,161,707	1,042,677	-	-	1,161,707	1,042,677
State shared revenue	432,864	392,654	-	-	432,864	392,654
Other	31,836	31,718	16,926	55,060	48,762	86,778
<b>Total revenues</b>	<b>3,970,370</b>	<b>3,684,183</b>	<b>2,444,081</b>	<b>2,646,087</b>	<b>6,414,451</b>	<b>6,330,270</b>
<b>Expenses:</b>						
<i>Governmental Activities:</i>						
General government	827,007	700,872	-	-	827,007	700,872
Library	167,764	142,558	-	-	167,764	142,558
Law enforcement	903,324	901,842	-	-	903,324	901,842
Fire control	240,036	393,411	-	-	240,036	393,411
Building and zoning	72,651	205,069	-	-	72,651	205,069
Streets	453,774	422,018	-	-	453,774	422,018
Parks and recreation	180,740	127,172	-	-	180,740	127,172
Historic train depot	19,847	18,843	-	-	19,847	18,843
Code enforcement	31,197	16,135	-	-	31,197	16,135
Interest on long-term debt	83,998	88,761	-	-	83,998	88,761
<i>Business-type Activities:</i>						
Water	-	-	1,194,150	958,849	1,194,150	958,849
Sewer	-	-	716,040	657,315	716,040	657,315
Stormwater	-	-	75,938	67,797	75,938	67,797
Sanitation	-	-	436,392	434,541	436,392	434,541
<b>Total expenses</b>	<b>2,980,338</b>	<b>3,016,681</b>	<b>2,422,520</b>	<b>2,118,502</b>	<b>5,402,858</b>	<b>5,135,183</b>
Increase (decrease) in net position before transfers	990,032	667,502	21,561	527,585	1,011,593	1,195,087
Transfers	125,000	125,000	(125,000)	(125,000)	-	-
Change in net position	1,115,032	792,502	(103,439)	402,585	1,011,593	1,195,087
Net position - Beg.	6,259,755	5,467,253	12,024,328	11,621,743	18,284,083	17,088,996
Net position - End	<b>\$ 7,374,787</b>	<b>\$ 6,259,755</b>	<b>\$ 11,920,889</b>	<b>\$ 12,024,328</b>	<b>\$ 19,295,676</b>	<b>\$ 18,284,083</b>

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**  
**TOWN OF DUNDEE, FLORIDA**

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**Governmental activities:**

Governmental activities' change in net position for 2019 was an increase of \$990,032, before transfers, as compared to an increase of \$667,502 for the prior year.

- Total revenue increased by \$286,187 (8%).
- Total expenses decreased by \$36,343 (1%).

Program revenues decreased 12%, general revenues of the governmental activities increased from \$2,647,478 in 2018 to \$3,054,944 in 2019, a 15% increase. Total governmental activities expenses decreased 1% from \$3,016,681 in 2018 to \$2,980,338 in 2019.

**Business-type activities:**

Business-type activities' change in net position for 2019 was an increase of \$21,561, before transfers, as compared to an increase of \$527,585 for the prior year.

The declining change in net position is mainly due to a decrease in total revenue of \$202,006 or 8%, mainly due to decreased impact fees as a result of decreased residential construction activity in 2019 compared to 2018 and a \$304,018 (14%) increase in expenses.

Charges for services increased \$2,470 or <1% and capital grants and contributions decreased \$166,342 or 72% due to decreased collection of water and wastewater impact fees.

**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 fund (the general fund) reported ending fund balance of \$3,663,695, an increase of \$758,524 in comparison with the previously reported balance in the prior year. Of this total, \$1,663,663 for the general fund constitutes unassigned and assigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable or 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 \$404,138 or 11% due to increased tax revenue of \$371,650, increased intergovernmental revenue of \$256,118 coupled with decreased fines and forfeitures of \$30,624, licenses and permit revenue of \$151,226, decreased charges for services of \$35,198 and decreased other revenue of \$6,582.
- Total governmental funds expenditures increased by \$299,686 or 10% due to decreased current expenditures of \$101,070 and increased capital outlay expenditures of \$389,205 and increased debt service of \$11,551.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019  
TOWN OF DUNDEE, FLORIDA**

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**Financial Analysis of the Government's Funds** (concluded)

**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 2018 and 2019 are discussed above under the "business-type activities" heading.

**General Fund Budgetary Highlights**

Actual resources (revenues and other sources) were more than budgeted resources by \$721,762 and actual charges to appropriations were \$372,005 less than budgeted resulting in an overall favorable budget variance of \$1,093,767. The underlying reasons for these budgetary variances was due to significant differences between original estimates and actual results and these differences were not used to adjust the budget to more accurately reflect actual activity.

The original budget was never amended for the fiscal year ended September 30, 2019.

**Capital Assets**

Capital assets: The Town's investment in capital assets for its governmental and business type activities as of September 30, 2019, amounts to \$20,332,416 (net of accumulated depreciation) which is a decrease of \$150,912. This decrease is the result of current year depreciation expense in excess of current year additions.

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

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Land	\$ 995,857	\$ 995,857	\$ 806,276	\$ 806,276	\$ 1,802,133	\$ 1,802,133
Buildings and improvements	2,150,401	2,200,368	13,956,991	14,548,928	16,107,392	16,749,296
Vehicles and equipment	448,346	342,374	118,867	81,476	567,213	423,850
Construction in progress	-	-	142,110	19,391	142,110	19,391
Infrastructure	1,713,568	1,488,658	-	-	1,713,568	1,488,658
Total	<u>\$ 5,308,172</u>	<u>\$ 5,027,257</u>	<u>\$ 15,024,244</u>	<u>\$ 15,456,071</u>	<u>\$ 20,332,416</u>	<u>\$ 20,483,328</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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019  
TOWN OF DUNDEE, FLORIDA**

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**Debt Administration**

Long-Term Debt: As shown in the table below, the Town had total long-term debt outstanding of \$6,368,029 which represents a decrease of approximately 3% over the prior year.

**Revenue Notes and Notes Payable**  
as of September 30,

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Revenue notes	\$ 1,494,185	\$ 1,642,098	\$ 4,758,963	\$ 4,895,506	\$ 6,253,148	\$ 6,537,604
Other notes and leases	114,881	6,709	-	-	114,881	6,709
Total	<u>\$ 1,609,066</u>	<u>\$ 1,648,807</u>	<u>\$ 4,758,963</u>	<u>\$ 4,895,506</u>	<u>\$ 6,368,029</u>	<u>\$ 6,544,313</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.

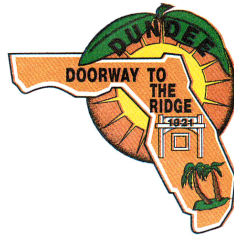
**Economic Factors and Next Year's Budget and Rates**

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*



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**TOWN OF DUNDEE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,809,686	\$ 1,144,158	\$ 2,953,844
Receivables, current:			
Customer accounts, net	-	227,601	227,601
Franchise and public service taxes	69,392	-	69,392
Intergovernmental	136,835	-	136,835
Prepaid expenses	29,408	22,566	51,974
Restricted assets:			
Cash and cash equivalents	1,970,624	935,001	2,905,625
Capital Assets:			
Non-depreciable	995,857	948,386	1,944,243
Depreciable, net	4,312,315	14,075,858	18,388,173
<b>TOTAL ASSETS</b>	<b>9,324,117</b>	<b>17,353,570</b>	<b>26,677,687</b>
<b>LIABILITIES</b>			
Accounts payable	216,076	58,403	274,479
Accrued payroll	39,794	14,137	53,931
Accrued interest payable	12,700	18,122	30,822
Due to other governments	35,855	1,691	37,546
Unearned revenue	-	401,288	401,288
Customer deposits	26,071	171,201	197,272
Long-term obligations:			
Due within one year	173,648	238,644	412,292
Due in more than one year	1,445,186	4,529,195	5,974,381
<b>TOTAL LIABILITIES</b>	<b>1,949,330</b>	<b>5,432,681</b>	<b>7,382,011</b>
<b>NET POSITION</b>			
Net investment in capital assets	3,699,106	9,863,993	13,563,099
Restricted for:			
Debt service	-	280,497	280,497
Stormwater management	-	46,851	46,851
Water system improvements	-	281,494	281,494
Sewer system improvements	-	136,836	136,836
Building code enforcement	398,292	-	398,292
Transportation improvements	736,617	-	736,617
Parks and recreation improvements	205,582	-	205,582
Library improvements	314,448	-	314,448
Public safety improvements	315,685	-	315,685
Unrestricted	1,705,057	1,311,218	3,016,275
<b>TOTAL NET POSITION</b>	<b>\$ 7,374,787</b>	<b>\$ 11,920,889</b>	<b>\$ 19,295,676</b>

See Accompanying Notes to Financial Statements

**TOWN OF DUNDEE, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
for the year ended September 30, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grant and Contributions	Capital Grant and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General government	\$ 827,007	\$ 27,269	\$ 222,694	\$ 32,715
Law enforcement	903,324	29,744	-	26,404
Fire control	240,036	1,668	-	19,787
Building and zoning	72,651	203,531	4,743	-
Streets	453,774	34,454	38,459	178,739
Library	167,764	8,057	25,000	37,582
Parks and recreation	180,740	12,830	-	11,600
Historic train depot	19,847	-	150	-
Code enforcement	31,197	-	-	-
Interest on long-term debt	83,998	-	-	-
Total governmental activities	2,980,338	317,553	291,046	306,827
Business-type activities				
Water utility	1,194,150	891,886	-	62,127
Sewer utility	716,040	682,736	-	3,835
Stormwater management	75,938	72,837	-	-
Sanitation	436,392	713,734	-	-
Total business-type activities	2,422,520	2,361,193	-	65,962
TOTAL PRIMARY GOVERNMENT	\$ 5,402,858	\$ 2,678,746	\$ 291,046	\$ 372,789

**GENERAL REVENUES**

Taxes:

Property taxes, levied for general purposes

Franchise taxes

Public service taxes

Fuel taxes for transportation purposes

State shared revenue - unrestricted

Investment earnings

Other revenues

**TRANSFERS**

Total general revenues

Change in net position

**NET POSITION, beginning of year**

**NET POSITION, end of year**

<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (544,329)	\$ -	\$ (544,329)
(847,176)	-	(847,176)
(218,581)	-	(218,581)
135,623	-	135,623
(202,122)	-	(202,122)
(97,125)	-	(97,125)
(156,310)	-	(156,310)
(19,697)	-	(19,697)
(31,197)	-	(31,197)
(83,998)	-	(83,998)
(2,064,912)	-	(2,064,912)
-	(240,137)	(240,137)
-	(29,469)	(29,469)
-	(3,101)	(3,101)
-	277,342	277,342
-	4,635	4,635
(2,064,912)	4,635	(2,060,277)
1,428,537	-	1,428,537
381,688	-	381,688
524,607	-	524,607
255,412	-	255,412
432,864	-	432,864
-	2,219	2,219
31,836	14,707	46,543
125,000	(125,000)	-
3,179,944	(108,074)	3,071,870
1,115,032	(103,439)	1,011,593
6,259,755	12,024,328	18,284,083
\$ 7,374,787	\$ 11,920,889	\$ 19,295,676

See Accompanying Notes to Financial Statements

**TOWN OF DUNDEE, FLORIDA**  
**BALANCE SHEET – GOVERNMENTAL FUND**  
September 30, 2019

---

	<b>General Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,809,686
Receivables, current:	
Franchise and public service taxes	69,392
Intergovernmental	136,835
Prepaid items	29,408
Restricted assets:	
Cash and cash equivalents	1,970,624
<b>TOTAL ASSETS</b>	<b>\$ 4,015,945</b>
<b>LIABILITIES</b>	
Accounts payable	216,076
Accrued payroll	39,794
Due to other governments	35,855
Customer deposits	26,071
<b>TOTAL LIABILITIES</b>	<b>317,796</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenues	34,454
<b>FUND BALANCE</b>	
Nonspendable	\$ 29,408
Restricted for:	
Transportation infrastructure - gas taxes	16,174
Parks	60,842
Building code enforcement	398,292
Recreation impact fees	144,740
Library impact fees	314,448
Law enforcement impact fees	204,770
Roads impact fees	720,443
Fire impact fees	110,915
Assigned for:	
Subsequent year budget	321,668
Unassigned	1,341,995
<b>TOTAL FUND BALANCE</b>	<b>3,663,695</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 4,015,945</b>

See Accompanying Notes to Financial Statements

**TOWN OF DUNDEE, FLORIDA****RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND TO THE  
STATEMENT OF NET POSITION**September 30, 2019

---

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

<b>FUND BALANCE - TOTAL GOVERNMENTAL FUND</b>	<b>\$3,663,695</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	5,308,172
Revenues not received within the "availability" period are deferred at the fund level and recognized in the statement of activities.	34,454
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in governmental funds.	(12,700)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(1,618,834)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$7,374,787</u></b>

See Accompanying Notes to Financial Statements

**TOWN OF DUNDEE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGE IN FUND BALANCE – GOVERNMENTAL FUND**  
for the year ended September 30, 2019

---

	<b>General Fund</b>
<b>REVENUES:</b>	
Taxes	\$ 2,603,490
Licenses and permits	477,960
Intergovernmental revenue	741,592
Charges for services	46,698
Fines and forfeitures	35,626
Other	27,711
Total revenues	<u>3,933,077</u>
<b>EXPENDITURES:</b>	
Current:	
General government	759,248
Public safety	1,204,604
Transportation	361,263
Culture/recreation	327,058
Capital outlay	525,222
Debt service	254,996
Total expenditures	<u>3,432,391</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>500,686</u>
<b>OTHER FINANCING SOURCES</b>	
Transfer in	125,000
Insurance proceeds	2,838
Debt proceeds	130,000
Total other financing sources	<u>257,838</u>
<b>NET CHANGE IN FUND BALANCE</b>	758,524
<b>FUND BALANCE, beginning of year</b>	<u>2,905,171</u>
<b>FUND BALANCE, end of year</b>	<u><u>\$ 3,663,695</u></u>

See Accompanying Notes to Financial Statements

**TOWN OF DUNDEE, FLORIDA****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCE – GOVERNMENTAL FUND TO  
THE STATEMENT OF ACTIVITIES**  
for the year ended September 30, 2019

---

**NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUND** **\$ 758,524**

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. 509,178

This is the amount of depreciation expense recorded in the current period. (228,263)

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. 34,454

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. 1,257

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. 141

Loan proceeds reported as an other financing source in governmental funds (130,000)

Repayment of loan principal reported as an expenditure in governmental funds. 169,741

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 1,115,032

**TOWN OF DUNDEE, FLORIDA**  
**STATEMENT OF NET POSITION – PROPRIETARY FUND**  
September 30, 2019

	<b>Enterprise Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,144,158
Customer accounts receivable, net	227,601
Prepaid expenses	22,566
Total current assets	<u>1,394,325</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	935,001
Capital assets:	
Non-depreciable	948,386
Depreciable, net	<u>14,075,858</u>
Total noncurrent assets	<u>15,959,245</u>
<b>TOTAL ASSETS</b>	<u><b>17,353,570</b></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	58,403
Accrued payroll	14,137
Due to other governments	1,691
Compensated absences, current	887
Long-term debt current	<u>237,757</u>
Total current liabilities	<u>312,875</u>
Noncurrent liabilities:	
Compensated absences, noncurrent	7,989
Unearned revenue	401,288
Liabilities payable from restricted assets:	
Customer deposits	171,201
Accrued interest payable	18,122
Long-term debt, noncurrent	<u>4,521,206</u>
Total noncurrent liabilities	<u>5,119,806</u>
<b>TOTAL LIABILITIES</b>	<u><b>5,432,681</b></u>
<b>NET POSITION</b>	
Net investment in capital assets	9,863,993
Restricted for:	
Debt service	280,497
Stormwater management	46,851
Water system improvements	281,494
Sewer system improvements	136,836
Unrestricted	<u>1,311,218</u>
<b>TOTAL NET POSITION</b>	<u><b>\$ 11,920,889</b></u>

See Accompanying Notes to Financial Statements

**TOWN OF DUNDEE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN**  
**FUND NET POSITION – PROPRIETARY FUND**  
for the year ended September 30, 2019

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	<b>Enterprise Fund</b>
<b>OPERATING REVENUES:</b>	
Charges for services	\$ 2,361,193
Total operating revenues	<u>2,361,193</u>
<b>OPERATING EXPENSES:</b>	
Personnel services	389,194
Operating expenses	1,125,532
Depreciation	<u>610,310</u>
Total operating expenses	<u>2,125,036</u>
<b>OPERATING INCOME</b>	<u>236,157</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>	
Interest expense	(207,143)
Interest revenue	2,219
Other, net	<u>(75,634)</u>
Total nonoperating revenues (expenses)	<u>(280,558)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(44,401)</u>
Capital contributions - impact fees	65,962
Interfund transfers	<u>(125,000)</u>
<b>CHANGE IN NET POSITION</b>	(103,439)
<b>TOTAL NET POSITION, beginning of year</b>	<u>12,024,328</u>
<b>TOTAL NET POSITION, end of year</b>	<u><u>\$ 11,920,889</u></u>

See Accompanying Notes to Financial Statements

**TOWN OF DUNDEE, FLORIDA**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUND**  
for the year ended September 30, 2019

	<b>Enterprise Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers	\$ 2,353,814
Other receipts	14,707
Payments to suppliers	(1,131,430)
Payments for salaries and benefits	(381,397)
Net cash flows provided by operating activities	<u>855,694</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers from other funds, net of interfund receivables/payables	(125,000)
Net cash flows provided by (used for) noncapital financing activities	<u>(125,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition and construction of capital assets, net of related payables	(178,483)
Principal paid on long-term debt	(226,884)
Interest paid on borrowings	(208,628)
Impact fees received	11,152
Net cash provided by (used for) capital and related financing activities	<u>(602,843)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on invested funds	2,219
Net cash flows provided by (used for) investing activities	<u>2,219</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	130,070
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>1,949,089</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 2,079,159</u></u>
<b>As shown in the Accompanying Financial Statements</b>	
Cash and cash equivalents	\$ 1,144,158
Restricted cash and cash equivalents	935,001
<b>Total cash and cash equivalents</b>	<u><u>\$ 2,079,159</u></u>
<b>Noncash financing and investment activities:</b>	
Joint venture loan guarantee	<u>\$ 90,341</u>
Impact fees received in prior years recognized as revenue in the current year	<u><u>\$ 54,810</u></u>

... continued

**TOWN OF DUNDEE, FLORIDA****STATEMENT OF CASH FLOWS – PROPRIETARY FUND (concluded)**  
for the year ended September 30, 2019

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**Reconciliation of operating income (loss) to net cash  
provided (used) by operating activities:**

Operating income	\$ 236,157
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	610,310
Nonoperating revenue reported as operating cash flows	14,707
(Increase) decrease in accounts receivable	(14,099)
(Increase) decrease in prepaid expenses	6,669
Increase (decrease) in customer deposits	6,720
Increase (decrease) in accounts payable	(12,574)
Increase (decrease) in accrued wages and compensated absences	7,797
Increase (decrease) in amounts due to other governments	7
Net cash flows from operating activities	<u>\$ 855,694</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 has no fiduciary funds, however, if it did they would be 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 governmental fund 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.

**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 and stormwater management services to area residents.

**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.

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.

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

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, money-market and savings accounts. As of September 30, 2019, all of 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 \$45,173 at September 30, 2019. 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, 2019, the reserve for doubtful accounts totaled \$7,238 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 are capitalized when incurred on debt the proceeds of which were used to finance the construction of enterprise fund capital assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. No interest cost was capitalized for the year ended September 30, 2019.

**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 position 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 position 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.

*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.

*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* - all other spendable amounts.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (concluded)

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, 2019, 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 budget for the general fund is adopted on the accounting basis used for financial reporting purposes and the enterprise fund budget is adopted essentially on the cash basis.

**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, 2019 was 37 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 at September 30, 2019 was 85 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, 2019, 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	\$ 350
Deposits in financial institutions:	
Insured or fully collateralized bank deposits	5,741,641
State Board of Administration - local government pool	<u>117,478</u>
Total cash and cash equivalents	<u>\$ 5,859,469</u>

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

**TOWN OF DUNDEE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 5 - CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2019 was as follows:

	Balance October 1, 2018	Increases	Decreases	Balance September 30, 2019
<b><u>Governmental Activities:</u></b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 995,857	\$ -	\$ -	\$ 995,857
Total capital assets, not being depreciated	995,857	-	-	995,857
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	3,679,632	43,983	-	3,723,615
Equipment	541,047	1,257	-	542,304
Vehicles	533,370	163,938	-	697,308
Infrastructure:				
Road network	1,997,982	300,000	-	2,297,982
Total capital assets, being depreciated	6,752,031	509,178	-	7,261,209
Less accumulated depreciation for:				
Buildings and improvements	(1,479,264)	(93,950)	-	(1,573,214)
Equipment	(304,744)	(29,744)	-	(334,488)
Vehicles	(427,299)	(29,479)	-	(456,778)
Infrastructure:				
Road network	(509,324)	(75,090)	-	(584,414)
Total accumulated depreciation	(2,720,631)	(228,263)	-	(2,948,894)
Total capital assets being depreciated, net	4,031,400	280,915	-	4,312,315
Governmental activities capital assets, net	\$ 5,027,257	\$ 280,915	\$ -	\$ 5,308,172
<b><u>Business-type activities:</u></b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 806,276	\$ -	\$ -	\$ 806,276
Construction-in-progress	19,391	122,719	-	142,110
Total capital assets, not being depreciated	825,667	122,719	-	948,386
<b>Capital assets, being depreciated:</b>				
Utility plant	22,495,695	-	-	22,495,695
Equipment	369,158	55,764	-	424,922
Total capital assets, being depreciated	22,864,853	55,764	-	22,920,617
Less accumulated depreciation for:				
Utility plant	(7,946,767)	(591,937)	-	(8,538,704)
Equipment	(287,682)	(18,373)	-	(306,055)
Total accumulated depreciation	(8,234,449)	(610,310)	-	(8,844,759)
Total capital assets being depreciated, net	14,630,404	(554,546)	-	14,075,858
Business-type activities capital assets, net	\$ 15,456,071	\$ (431,827)	\$ -	\$ 15,024,244

**TOWN OF DUNDEE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

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**NOTE 5 - CAPITAL ASSETS** (concluded)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:

General government	\$	62,745
Law enforcement		2,001
Fire		40,273
Streets		91,409
Library		18,077
Parks & recreation		11,499
Historic train depot		2,259
Total depreciation expense - governmental activities	\$	<u>228,263</u>

Business-type Activities:

Water	\$	259,893
Sewer		343,452
Stormwater		6,965
Total depreciation expense - business-type activities	\$	<u>610,310</u>

**TOWN OF DUNDEE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 6 - LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended September 30, 2019:

	Balance October 1, 2018	Increases	Decreases	Balance September 30, 2019	Amounts Due within One Year
<b><u>Governmental Activities:</u></b>					
<b><u>Long-term debt:</u></b>					
Notes payable:					
Univest Capital installment note	\$ 6,709	\$ -	\$ (6,709)	\$ -	\$ -
Vehicle purchase note, 2019	-	130,000	(15,119)	114,881	17,120
Capital Improvement Revenue Note, Series 2007A	1,642,098	-	(147,913)	1,494,185	155,552
Total long-term debt	1,648,807	130,000	(169,741)	1,609,066	172,672
<b><u>Other liabilities:</u></b>					
Compensated absences	9,909	24,168	(24,309)	9,768	976
Total other liabilities	9,909	24,168	(31,018)	9,768	976
<b>Total long-term liabilities</b>	<b>\$ 1,658,716</b>	<b>\$ 154,168</b>	<b>\$ (200,759)</b>	<b>1,618,834</b>	<b>\$ 173,648</b>
Less amount due in one year				(173,648)	
<b>Net long-term liabilities in excess of one year</b>				<b>\$ 1,445,186</b>	
<b><u>Business-type Activities:</u></b>					
<b><u>Long-term debt:</u></b>					
Revenue certificates:					
USDA Water and Sewer, Series 2001	\$ 1,410,800	\$ -	\$ (39,430)	\$ 1,371,370	\$ 41,160
Capital Improvement, Series 2007	616,168	-	(142,717)	473,451	150,015
USDA Water and Sewer, Series 2011	2,868,538	-	(44,737)	2,823,801	46,582
Other long-term debt:					
Joint venture loan guarantee	-	90,341	-	90,341	-
Total long-term debt	4,895,506	90,341	(226,884)	4,758,963	237,757
<b><u>Other liabilities:</u></b>					
Compensated absences	5,252	16,596	(12,972)	8,876	887
Total other liabilities	5,252	16,596	(12,972)	8,876	887
<b>Total long-term liabilities</b>	<b>\$ 4,900,758</b>	<b>\$ 106,937</b>	<b>\$ (239,856)</b>	<b>4,767,839</b>	<b>\$ 238,644</b>
Less amount due in one year				(238,644)	
<b>Net long-term liabilities in excess of one year</b>				<b>\$ 4,529,195</b>	

**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:**

- Univest Capital Installment Note - The installment note was issued March 14, 2014 in the amount of \$59,000 to purchase a fire truck and bore interest at 5.88% and matured during 2019.
- 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 City 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.

**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, 2019, the Polk Regional Water Cooperative has borrowed \$3,481,602 through this SRF funding of which, \$90,341 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 - 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.

**TOWN OF DUNDEE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**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, 2019, were as follows:

Fiscal Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 172,672	\$ 78,410	\$ 237,757	\$ 198,526
2021	181,385	69,700	249,150	187,132
2022	190,539	60,545	261,094	175,189
2023	200,157	50,925	99,388	164,839
2024	210,263	40,820	103,607	160,623
2025-2029	654,050	58,400	626,458	749,116
2030-2034	-	-	775,299	599,990
2035-2039	-	-	890,742	430,393
2040-2044	-	-	664,606	251,914
2045-2049	-	-	694,838	120,522
2050-2054	-	-	156,024	6,444
Total	<u>\$ 1,609,066</u>	<u>\$ 358,800</u>	<u>\$ 4,758,963</u>	<u>\$ 3,044,688</u>

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	\$ 2,354,540	\$ 401,852	\$ 832,498	207.17%
Water and sewer net revenues and half cent sales tax	9/1/2050	\$ 7,178,920	\$ 264,225	\$ 876,776	331.83%

**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. 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. The plan trust is administered by the Town and the assets are not considered part of the Town's reporting entity. Since these assets do not belong to the Town, they are not reported in the accompanying financial statements. Contributions for the fiscal year ended September 30, 2019 totaled \$33,242 which consisted of \$19,287 contributed by employees and \$18,955 contributed by the Town. There is no liability to the plans at September 30, 2019 for unpaid employer contributions.

**NOTE 8 - INTERFUND TRANSACTIONS**

**Interfund transfers for the year ended September 30, 2019, consisted of:**

	<u>Amount</u>
Recurring budgeted annual transfer from the enterprise fund to the general fund	<u>\$ 125,000</u>

**Interfund Receivables and payables:**

There were no Interfund receivables and payables as of September 30, 2019.

**TOWN OF DUNDEE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**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, 2019, is presented below:

	Water & Sewer System	Sanitation System	Stormwater System	Total
<b>Condensed statement of revenues, expenses and changes in net position:</b>				
Operating revenues	\$ 1,574,622	\$ 713,734	\$ 72,837	\$ 2,361,193
Personnel services	(388,810)	-	(384)	(389,194)
Operating expenses	(620,551)	(436,392)	(68,589)	(1,125,532)
Depreciation	(603,345)	-	(6,965)	(610,310)
Non-operating revenues (expenses):				
Interest income	2,219	-	-	2,219
Interest expense	(207,143)	-	-	(207,143)
Other, net	(75,634)	-	-	(75,634)
Impact fees	65,962	-	-	65,962
Inter-fund transfer	(125,000)	-	-	(125,000)
Change in net position	<u>\$ (377,680)</u>	<u>\$ 277,342</u>	<u>\$ (3,101)</u>	<u>(103,439)</u>
<b>Summary information from statement of net position:</b>				
Capital assets, net	<u>\$ 14,936,809</u>	<u>\$ -</u>	<u>\$ 87,435</u>	<u>\$ 15,024,244</u>
Long-term debt, including current portion	<u>\$ 4,758,963</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,758,963</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 subsidies for retiree coverage. 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, 2018 which was determined by an actuarial valuation as of September 30, 2017. The actuarial assumptions used in the September 30, 2017 valuation were as follows:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	3.64%
Initial Trend Rate	8.50%
Ultimate Trend Rate	4.00%
Year to Ultimate Trend Rate	56

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 3.64%. The high-quality bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The results of the September 30, 2017 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, 2019 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, 2021. 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 \$882,917 for the year ended September 30, 2019. In 2017, the contract was renewed for an additional four years and calls for the following minimum costs going forward:

Fiscal Year Ending September 30,	Annual Cost
2020	\$ 900,575
2021	\$ 918,587

- 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, 2019, 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, 2019, the total annual working capital needs of the PRWC was \$198,000 of which the Town's proportionate share was \$1,564.

**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, 2019, \$3,481,602 of SRF funds have been drawn by the PRWC. The Town's proportionate share of this liability totaled \$90,341 as of September 30, 2019 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.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF DUNDEE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**  
for the year ended September 30, 2019

	<b>Budgeted Amounts</b>		<b>Actual Amounts (GAAP Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Taxes	\$ 2,342,834	\$ 2,342,834	\$ 2,603,490	\$ 260,656
Licenses and permits	253,500	253,500	477,960	224,460
Intergovernmental revenue	527,125	527,125	741,592	214,467
Charges for services	72,268	72,268	46,698	(25,570)
Fines and forfeitures	4,000	4,000	35,626	31,626
Other	8,750	8,750	27,711	18,961
Total revenues	3,208,477	3,208,477	3,933,077	724,600
<b>EXPENDITURES:</b>				
General government	796,890	796,890	759,248	37,642
Public safety	1,413,310	1,413,310	1,204,604	208,706
Transportation	366,300	366,300	361,263	5,037
Culture/recreation	340,499	340,499	327,058	13,441
Capital outlay	463,949	463,949	525,222	(61,273)
Debt service	423,448	423,448	254,996	168,452
Total expenditures	3,804,396	3,804,396	3,432,391	372,005
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(595,919)	(595,919)	500,686	1,096,605
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund transfers in (out)	125,000	125,000	125,000	-
Insurance proceeds	-	-	2,838	(2,838)
Debt proceeds	130,000	130,000	130,000	-
Total other financing sources (uses)	255,000	255,000	257,838	(2,838)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (340,919)</b>	<b>\$ (340,919)</b>	<b>\$ 758,524</b>	<b>\$ 1,093,767</b>

**Notes to Budgetary Comparison Schedule:**

**Basis of Accounting** - The budget is prepared on the GAAP basis of accounting.

## **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.*

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Changes in Fund Balances of Governmental Funds	48

### Revenue Capacity

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

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Principal Property Taxpayers	51
Property Tax Levies and Collections	52

### 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.*

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Direct and Overlapping Governmental Activities Debt	55
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### 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.*

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### 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.*

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>Governmental Activities</u></b>										
Net investment in capital assets	\$ 2,438,983	\$ 2,370,124	\$ 2,531,949	\$ 2,673,631	\$ 2,736,385	\$ 3,006,900	\$ 3,047,753	\$ 3,262,231	\$ 3,378,450	\$ 3,699,106
Restricted	738,191	545,294	612,767	555,443	683,047	586,071	954,255	1,173,382	1,770,645	1,970,624
Unrestricted	409,818	552,704	227,665	(2,495)	171,170	199,187	634,782	1,031,640	1,110,660	1,705,057
Total governmental activities net position	<u>\$ 3,586,992</u>	<u>\$ 3,468,122</u>	<u>\$ 3,372,381</u>	<u>\$ 3,226,579</u>	<u>\$ 3,590,602</u>	<u>\$ 3,792,158</u>	<u>\$ 4,636,790</u>	<u>\$ 5,467,253</u>	<u>\$ 6,259,755</u>	<u>\$ 7,374,787</u>
<b><u>Business-type activities</u></b>										
Net investment in capital assets	\$ 9,667,312	\$ 10,479,212	\$ 10,436,112	\$ 10,178,141	\$ 9,810,275	\$ 10,634,702	\$ 10,413,651	\$ 10,211,453	\$ 10,104,467	\$ 9,863,993
Restricted	337,350	458,680	467,983	463,141	467,733	530,462	665,252	764,799	738,975	745,678
Unrestricted	464,488	598,152	586,046	444,024	294,828	572,718	547,569	485,725	1,180,886	1,311,218
Total Business-type activities net position	<u>\$ 10,469,150</u>	<u>\$ 11,536,044</u>	<u>\$ 11,490,141</u>	<u>\$ 11,085,306</u>	<u>\$ 10,572,836</u>	<u>\$ 11,737,882</u>	<u>\$ 11,626,472</u>	<u>\$ 11,461,977</u>	<u>\$ 12,024,328</u>	<u>\$ 11,920,889</u>
<b><u>Primary Government</u></b>										
Net investment in capital assets	\$ 12,106,295	\$ 12,849,336	\$ 12,968,061	\$ 12,851,772	\$ 12,546,660	\$ 13,641,602	\$ 13,461,404	\$ 13,473,684	\$ 13,482,917	\$ 13,563,099
Restricted	1,075,541	1,003,974	1,080,750	1,018,584	1,150,780	1,116,533	1,619,507	1,938,181	2,509,620	2,716,302
Unrestricted	874,306	1,150,856	813,711	441,529	465,998	771,905	1,182,351	1,517,365	2,291,546	3,016,275
Total primary government net position	<u>\$ 14,056,142</u>	<u>\$ 15,004,166</u>	<u>\$ 14,862,522</u>	<u>\$ 14,311,885</u>	<u>\$ 14,163,438</u>	<u>\$ 15,530,040</u>	<u>\$ 16,263,262</u>	<u>\$ 16,929,230</u>	<u>\$ 18,284,083</u>	<u>\$ 19,295,676</u>

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)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>Expenses</u></b>										
Governmental Activities:										
General Government	\$ 650,785	\$ 624,608	\$ 650,727	\$ 693,335	\$ 615,413	\$ 672,061	\$ 655,972	\$ 659,923	\$ 700,872	\$ 827,007
Library	190,345	138,234	96,979	95,304	97,637	109,253	108,351	108,533	142,558	167,764
Police	733,301	765,739	788,489	824,364	850,720	872,104	900,120	908,948	901,842	903,324
Fire	162,291	160,968	155,726	166,949	193,189	220,297	188,662	201,498	393,411	240,036
Building and zoning	102,160	115,061	116,247	78,641	79,755	94,345	148,049	176,205	205,069	72,651
Streets	297,341	299,659	247,917	266,710	298,972	358,665	325,251	354,461	422,018	453,774
Parks and recreation	234,330	208,461	149,360	156,358	150,789	132,312	132,295	143,156	127,172	180,740
Historic train depot	19,276	18,889	15,215	17,488	16,191	17,089	16,376	20,614	18,843	19,847
Code enforcement	43,177	25,464	9,808	1,363	1,546	12,688	11,917	16,044	16,135	31,197
Interest on long term debt	150,902	131,503	125,923	120,057	116,937	110,721	103,772	96,458	88,761	83,998
Total governmental activities expenses	2,583,908	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
Business-type activities:										
Water Utility	606,256	732,543	881,484	897,159	810,889	785,383	891,962	933,107	958,849	1,194,150
Sewer Utility	1,204,965	669,633	614,991	642,625	616,355	642,354	647,813	706,423	657,315	716,040
Stormwater Utility	49,922	66,877	105,837	96,070	62,481	72,843	85,616	52,052	67,797	75,938
Sanitation	347,587	405,551	382,912	394,647	414,968	375,326	394,033	407,962	434,541	436,392
Total business-type activities expenses	2,208,730	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
Total primary government expenses	\$ 4,792,638	\$ 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
<b><u>Program revenues</u></b>										
Governmental activities:										
Charges for services	\$ 148,877	\$ 153,009	\$ 119,843	\$ 103,791	\$ 173,141	\$ 222,075	\$ 426,322	\$ 454,459	\$ 693,656	\$ 317,553
Operating grants and contributions	55,305	45,603	34,276	32,594	37,355	33,571	58,459	89,385	75,308	291,046
Capital grants and contributions	109,458	75,056	10,036	35,414	197,128	176,401	432,701	380,420	267,741	306,827
Total governmental activities program rev.	313,640	273,668	164,155	171,799	407,624	432,047	917,482	924,264	1,036,705	915,426
Business-type activities:										
Charges for services	1,544,378	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
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	66,031	1,268,224	180,436	14,379	18,998	1,214,738	134,479	106,368	232,304	65,962
Total business-type program revenues	1,610,409	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
Total primary government program revenues	\$ 1,924,049	\$ 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
<b><u>Net(expenses)/revenue</u></b>										
Governmental activities	(2,270,268)	(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)
Business-type activities	(598,321)	1,066,402	(45,903)	(277,333)	(187,477)	1,310,629	57,321	146,851	472,525	4,635
Total primary government net expenses	\$ (2,868,589)	\$ (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)

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)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property Taxes	\$ 1,140,860	\$ 911,684	\$ 898,543	\$ 846,868	\$ 917,615	\$ 944,425	\$ 988,663	\$ 1,078,696	\$ 1,180,429	\$ 1,428,537
Franchise Taxes	316,294	293,220	289,385	278,917	303,639	308,598	296,552	307,106	336,597	381,688
Public Service Taxes	401,675	370,415	349,856	347,838	350,475	375,110	418,420	433,299	465,875	524,607
Fuel Taxes	215,548	208,659	208,006	217,923	229,610	248,371	259,201	228,920	240,205	255,412
State shared revenue	215,763	228,751	256,931	274,466	297,714	312,797	338,829	365,580	392,654	432,864
Investment earnings	6,151	815	5	4	3,411	4,442	-	-	-	-
Miscellaneous	28,373	82,504	93,769	9,450	22,582	29,718	47,519	26,728	31,718	31,836
Interfund transfer	483,250	-	-	127,502	252,502	145,583	168,731	151,710	125,000	125,000
Total governmental activities	2,807,914	2,096,048	2,096,495	2,102,968	2,377,548	2,369,044	2,517,915	2,592,039	2,772,478	3,179,944
Business-type Activities:										
Investment earnings	1,802	492	-	-	-	-	-	130	259	2,219
Miscellaneous	-	-	-	-	49	-	-	-	9,876	14,707
Gain on sale of capital assets	-	-	-	-	-	-	-	-	44,925	-
Interfund transfer	(483,250)	-	-	(127,502)	(252,502)	(145,583)	(168,731)	(151,710)	(125,000)	(125,000)
Total business-type activities	(481,448)	492	-	(127,502)	(252,453)	(145,583)	(168,731)	(151,580)	(69,940)	(108,074)
Total primary government	\$ 2,326,466	\$ 2,096,540	\$ 2,096,495	\$ 1,975,466	\$ 2,125,095	\$ 2,223,461	\$ 2,349,184	\$ 2,440,459	\$ 2,702,538	\$ 3,071,870
<b>Change in Net Position</b>										
Governmental activities	\$ 537,646	\$ (118,870)	\$ (95,741)	\$ (145,802)	\$ 364,023	\$ 355,519	\$ 844,632	\$ 830,463	\$ 792,502	\$ 1,115,032
Business-type activities	(1,079,769)	1,066,894	(45,903)	(404,835)	(439,930)	(333,060)	(111,410)	(4,729)	402,585	(103,439)
Total Primary Government	\$ (542,123)	\$ 948,024	\$ (141,644)	\$ (550,637)	\$ (75,907)	\$ 22,459	\$ 733,222	\$ 825,734	\$ 1,195,087	\$ 1,011,593

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)**

	2010	2011	2012	2013	2014
General Fund					
Reserved	\$ 1,609,500	\$ -	\$ -	\$ -	\$ -
Unreserved	431,164	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	571,799	612,767	555,443	683,047
Assigned	-	-	26,824	-	-
Unassigned	-	488,533	263,263	42,842	223,936
Total General Fund	<u>\$ 2,040,664</u>	<u>\$ 1,060,332</u>	<u>\$ 902,854</u>	<u>\$ 598,285</u>	<u>\$ 906,983</u>
	2015	2016	2017	2018	2019
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	11,790	48,565	45,368	53,233	29,408
Restricted	586,071	954,255	1,486,134	1,770,645	1,970,624
Assigned	-	-	-	299,050	321,668
Unassigned	251,429	578,376	697,192	782,243	1,341,995
Total General Fund	<u>\$ 849,290</u>	<u>\$ 1,581,196</u>	<u>\$ 2,228,694</u>	<u>\$ 2,905,171</u>	<u>\$ 3,663,695</u>

The City implemented GASB statement 54 in 2011 changing the classifications of fund balance information beginning in that year.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 2,050,192	\$ 1,759,168	\$ 1,717,792	\$ 1,661,071	\$ 1,767,712	\$ 1,839,489	\$ 1,924,162	\$ 2,057,153	\$ 2,231,840	\$ 2,603,490
Licenses and Permits	42,449	72,237	37,279	39,174	89,655	142,303	297,010	699,061	629,186	477,960
Intergovernmental	369,798	332,915	314,433	334,543	429,161	452,306	556,620	455,105	485,474	741,592
Charges for services	76,295	64,997	68,126	56,246	68,995	71,083	81,607	87,012	81,896	46,698
Fines and forfeitures	31,090	15,755	14,438	8,371	14,491	8,688	47,705	27,205	66,250	35,626
Other	58,481	147,650	219,707	47,860	162,655	141,639	353,307	39,057	34,293	27,711
<b>Total revenues</b>	<u>\$ 2,628,305</u>	<u>\$ 2,392,722</u>	<u>\$ 2,371,775</u>	<u>\$ 2,147,265</u>	<u>\$ 2,532,669</u>	<u>\$ 2,655,508</u>	<u>\$ 3,260,411</u>	<u>\$ 3,364,593</u>	<u>\$ 3,528,939</u>	<u>\$ 3,933,077</u>
<b>Expenditures</b>										
Current:										
General Government	\$ 582,431	\$ 573,008	\$ 581,595	\$ 631,657	\$ 546,386	\$ 608,226	\$ 566,179	\$ 666,742	\$ 675,697	\$ 759,248
Public Safety	981,943	1,029,230	1,033,807	1,038,317	1,082,929	1,132,371	1,208,413	1,255,953	1,479,345	1,204,604
Transportation	243,639	231,433	204,012	227,079	251,267	279,259	261,860	288,338	342,869	361,263
Culture & Recreation	419,399	334,777	223,896	209,908	215,860	227,344	233,147	247,149	255,332	327,058
Debt Service:										
Principal retirement	109,821	90,551	109,950	115,531	123,736	131,696	138,592	145,850	153,488	169,741
Interest	145,719	150,902	131,503	125,923	120,057	111,749	104,853	97,595	89,957	85,255
Capital Outlay	662,244	963,153	244,490	230,921	195,238	368,139	184,192	170,785	136,017	525,222
<b>Total expenditures</b>	<u>\$ 3,145,196</u>	<u>\$ 3,373,054</u>	<u>\$ 2,529,253</u>	<u>\$ 2,579,336</u>	<u>\$ 2,535,473</u>	<u>\$ 2,858,784</u>	<u>\$ 2,697,236</u>	<u>\$ 2,872,412</u>	<u>\$ 3,132,705</u>	<u>\$ 3,432,391</u>
<b>Excess(deficiency) of revenues over(under) expenditures</b>	\$ (516,891)	\$ (980,332)	\$ (157,478)	\$ (432,071)	\$ (2,804)	\$ (203,276)	\$ 563,175	\$ 492,181	\$ 396,234	\$ 500,686
<b>Other financing sources(uses)</b>										
Transfers in	483,250	-	-	127,502	252,502	145,583	168,731	151,709	125,000	125,000
Impact Fees	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	3,608	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	155,243	2,838
Proceeds from Borrowing	-	-	-	-	59,000	-	-	-	-	130,000
<b>Total other financing sources (uses)</b>	<u>\$ 483,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,502</u>	<u>\$ 311,502</u>	<u>\$ 145,583</u>	<u>\$ 168,731</u>	<u>\$ 155,317</u>	<u>\$ 280,243</u>	<u>\$ 257,838</u>
Net change in fund balance	\$ (33,641)	\$ (980,332)	\$ (157,478)	\$ (304,569)	\$ 308,698	\$ (57,693)	\$ 731,906	\$ 647,498	\$ 676,477	\$ 758,524
Debt service as percentage of non-capital expenditures	10.3%	10.0%	10.6%	10.3%	10.4%	9.8%	9.6%	9.1%	8.2%	8.7%

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

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Assessed Value of Personal Property</u>	<u>Centrally Assessed Property</u>	<u>Taxable Assessed Valuation</u>	<u>Total Direct Tax Rate</u>
2010	\$ 116,942,938	\$ 15,858,378	-	\$ 132,801,316	7.0000
2011	105,141,403	17,722,908	-	122,864,311	7.6500
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

(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
2010	7.0000	6.8665	7.792	0.4478	0.3770	22.2128
2011	7.6495	6.8665	7.670	0.4829	0.3928	22.4991
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

\* 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**

<b>Taxpayer</b>	<b>2019</b>		<b>2010</b>	
	<b>Taxable Assessed Valuation</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Valuation</b>	<b>Percentage of Total Taxable Assessed Value</b>
Florida Southeast Connection LLC	9,592,267	4.67%	*	*
Duke Energy/Florida Power	9,012,188	4.39%	*	*
Dundee Citrus Growers Assoc	7,832,703	3.82%	*	*
Lauderdale Dell Lakes Village	5,688,302	2.77%	*	*
Colvard Earl W	4,115,279	2.00%	*	*
Dundee Plaza LLC	3,046,733	1.48%	*	*
Maxijet Inc.	2,094,839	1.02%	*	*
Frontier	1,992,660	0.97%	*	*
Greenfield Village RV Park LLC	1,928,752	0.94%	*	*
Duff Real Estate LLC	1,669,385	0.81%	*	*
	<u>46,973,108</u>	<u>22.88%</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
2010	1,133,825	1,101,926	97.19%	37,819	1,139,745	100.52%
2011	924,918	895,172	96.78%	3,021	898,193	97.11%
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	*	*	*	*	*

\* Data not available

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

Fiscal Year	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	Total Primary Government	Town of Dundee Personal Income	Percentage of Income	Per Capita
	Notes Payable	Notes Payable				
2010	2,629,535	6,342,590	8,972,125	132,139,350	6.79%	2,414
2011	2,520,426	6,218,827	8,739,253	121,598,815	7.19%	2,331
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	*	*	1,285
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

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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**  
**9/30/2019**

Jurisdiction	Debt Outstanding	Percentage Applicable to Dundee	Amount Applicable to Dundee
District School Board of Polk County	230,026,050	0.55% (1)	1,255,063
Polk County Board of County Commissioners	185,951,647	0.55% (2)	1,014,585
Total Overlapping Debt			2,269,649
Total Direct Debt			1,609,066
Total Direct and Overlapping Debt			<u>\$ 3,878,715</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, 2018 Comprehensive Annual Financial Report (latest available)

(2) Polk County, Florida September 30, 2018 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)				
2011	\$ 1,019,129	\$ 176,551	\$ 654,131	\$ 541,549	\$ 128,041	4.23
2012	1,140,091	183,875	644,386.00	679,580	264,516	2.57
2013	1,098,491	210,182	702,400.00	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

(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)
2011	\$ 293,220	\$ 370,270	\$ 663,490	\$ 401,852	1.65
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

(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

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

**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)
2019	4,957	*	*	*	*	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
2011	3,749	32,435	121,598,815	39.9	1,671	11.4
2010	3,717	35,550	132,139,350	39.6	1,694	6.7

\* 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	2019			2010		
		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	54	4	6%	*	*	*
Frozen Food Express	Trucking Transportation	50	5	5%	*	*	*
Davidson's of Dundee	Citrus Jelly & Candy Producer	50	6	5%	*	*	*
Mister Landscaper	Irrigation Manufacturer	40	7	4%	*	*	*
Maxi Jet	Irrigation Manufacturer	36	8	4%	*	*	*
Blue Ribbon Citrus	Citrus Packers & Shippers	23	9	2%	*	*	*
Polk County Road Maintenance	County Road Maintenance	22	10	2%	*	*	*
		937			*		
Estimated Total Town Employment		1,800					

(1) Source: Central Florida Development Council

\* Data not available

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>GENERAL FUND</b>										
City Commission	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
City Administration	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	3.0	3.0	2.0	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	2.0	4.0	2.5	3.0	2.5	2.5	2.0	2.0	2.0	2.0
Building & Zoning	3.5	3.0	3.0	1.0	1.0	1.0	1.0	0.5	1.0	1.0
Library	3.0	2.5	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Parks & Recreation	2.5	4.0	2.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0
DPW Administration										
Building Maintenance	0.5	0.5	0.5	0.5	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	6.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
<b>Total General Fund</b>	<b>25.0</b>	<b>24.5</b>	<b>21.0</b>	<b>17.5</b>	<b>16.5</b>	<b>16.5</b>	<b>16.0</b>	<b>16.5</b>	<b>18.5</b>	<b>18.5</b>
<b>ENTERPRISE FUND</b>										
Utilities (Water & Wastewater)	6.0	5.0	6.0	7.0	5.0	5.0	5.0	6.0	6.0	6.0
Stormwater	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
<b>Total Enterprise Fund</b>	<b>6.0</b>	<b>5.0</b>	<b>7.0</b>	<b>7.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>6.0</b>	<b>6.0</b>	<b>7.0</b>
<b>TOTAL STAFF</b>	<b>31.0</b>	<b>29.5</b>	<b>28.0</b>	<b>24.5</b>	<b>21.5</b>	<b>21.5</b>	<b>21.0</b>	<b>22.5</b>	<b>24.5</b>	<b>25.5</b>

(1) Source: Town of Dundee Payroll

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Public Safety</b>										
Calls for Service	8,758	8,548	9,074	10,236	10,862	7,501	7,052	3,279	3,350	4,656
Citations	*	*	56	206	464	286	437	401	417	276
<b>Fire Control</b>										
Number of Calls	367	408	345	436	395	383	395	588	680	669
<b>Building Department</b>										
Permits Issued	*	162	121	120	160	204	235	316	476	332
<b>Leisure Services</b>										
Library Visitations	*	41,200	49,452	48,985	38,384	38,384	33,523	33,990	21,000	18,957
Circulation	*	25,372	23,447	18,386	15,950	15,136	13,580	15,429	13,926	13,657
Facility Rentals	*	44	40	40	24	37	54	47	48	40
<b>Human Services</b>										
Business Tax Receipts	*	340	246	400	295	314	291	300	300	302
<b>Solid Waste</b>										
Refuse collected ( Tons)	*	*	*	*	*	407	1,180	1,362	1,628	1,635
Brush collected (Tons)	*	*	*	*	*	204	51	200	196	201
Commercial Customers	*	161	158	165	153	141	140	140	145	149
Residential Customers	*	1,034	1,040	1,068	1,084	1,147	1,206	1,301	1,426	1,499
<b>Public Works</b>										
Street Resurfacing (Miles)	-	-	2	-	-	2	-	1	-	
<b>Water</b>										
New Connections	*	*	*	6	16	23	57	77	75	72
Number of Customers	*	*	1,316	1,324	1,340	1,363	1,420	1,497	1,795	1,888
<b>Wastewater</b>										
New Connections	*	*	6	12	-	44	44	50	65	58
Number of Customers	*	294	300	317	317	361	405	510	575	695
Avg Daily Sewage Treatment	*	114,000	116,000	117,000	110,000	120,000	134,000	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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Public Safety</b>										
Station	*	1	1	1	1	1	1	1		1
Fire Trucks	*	4	4	4	4	4	4	4		4
<b>Transportation</b>										
Street Miles	*	53.96	53.96	53.96	53.96	53.96	53.96	53.96		53.96
Traffic Signals	*	4.00	4	4	4	4	4	4		4
<b>Leisure Services</b>										
Parks	*	8	8	8	8	8	8	8	8	8
Parks Acreage	*	139	139	139	139	139	139	139	139	139
Rental Facilities	*	1	1	1	1	1	1	1	1	1
Playgrounds	*	2	2	2	2	2	2	2	2	2
Library	*	1	1	1	1	1	1	1	1	1
Baseball Fields	*	2	2	2	2	2	2	2	2	2
Basketball Courts	*	1	1	1	1	1	1	1	1	1
<b>General Government</b>										
Number of Buildings	*	5	5	5	5	5	5	5	5	5
<b>Water</b>										
Water Treatment Plants	*	1	1	1	1	1	1	1	1	1
Fire Hydrants	*	178	178	178	178	178	178	178	178	179
Water Main Miles	*	19	19	19	19	19	19	19	19	19
<b>Wastewater</b>										
Wastewater Treatment Plant	*	1	1	1	1	1	1	1	1	1
Lift Stations	*	11	11	11	11	11	11	11	11	11
Sanitary Sewer Miles	*	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 and each major fund of Town of Dundee, Florida as of and for the year ended September 30, 2019, 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 March 26, 2020.

**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 report of current year findings as items 2019-001 and 2019-002 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*.

### **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 to findings and recommendations. 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  
March 26, 2020

## 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, 2019, and have issued our report thereon dated March 26, 2020.

### 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 Reporting Requirements

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 March 26, 2020, 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.

### 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 did not have any such recommendations.

**Additional 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 did not note any such findings.

**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  
March 26, 2020

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, 2019. 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, 2019.

*Brynjulfson CPA, P.A.*

Brynjulfson CPA, P.A.  
Auburndale, Florida  
March 26, 2020

**CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
TOWN OF DUNDEE, FLORIDA**

**2019-001: Idle Capacity Billing** (material weakness)

Condition: The Town accepted 56 Equivalent Residential Unit (ERC) certificates from home builders in 2019. The ERC certificates represent credit for water and/or wastewater impact fees that were paid in advance of the actual construction of new residential homes. The Town did not collect unpaid idle capacity charges on the majority of the ERC certificates accepted during 2019.

Criteria: Ordinance 07-03 established that idle capacity charges will be paid monthly by each person or company who has reserved any amount of capacity of a Town water or wastewater facility. Resolution 07-09 established that the monthly idle capacity charge is set at \$4.50 and is payable by the fifteenth day of each month. Ordinance 07-03 prohibits the issuance of a building permit unless all unpaid idle capacity charges are paid.

Cause: The individual who was assigned the responsibility of tracking these idle capacity charges ceased employment with the Town and no one was assigned to take over these duties.

Effect: Due to the lack of internal control over these charges, there is no assurance that these charges are properly accounted for and that the corresponding revenues are received in a timely manner. The total water and sewer idle capacity charges for 56 ERC certificates would be approximately \$72,000 which is the total accrued idle capacity charges from the inception of the fee on April 15, 2007 to March 31, 2020.

Recommendation: The Town should implement procedures to ensure compliance with its billing ordinances and to strengthen the collection of the idle capacity charges. Furthermore, while not explicitly reported above, the proper accounting for, and tracking of, the outstanding reservations of the Town's water or wastewater facilities is integral to proper internal control over the idle capacity charges. Accordingly, the Town should implement procedures to properly account for the certificates that have been purchased that represent reservation of the Town's water or wastewater facilities.

**CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
TOWN OF DUNDEE, FLORIDA**

**2019-002: Accounting for ERC Certificates** (material weakness)

Condition: The Town was unable to provide us a list of all unredeemed ERC certificates.

Criteria: To ensure that all redeemed ERC certificates are valid, the Town should create and maintain a current listing of all outstanding ERC certificates and should design and implement internal controls that utilize this detailed listing to determine the validity of redeemed ERC certificates.

Cause: A detailed list of ERC certificates has not been kept current and, while the Town and their consultants are working on an updated list, this was not done by the date this audit was completed.

Effect: Without a detailed and current accounting of all ERC certificates, there is no assurance that ERC certificates that are being redeemed are valid.

Recommendation: The Town should implement procedures to maintain a detailed listing of all ERC certificates that have been purchased that represent reservation of the Town's water or wastewater facilities and the listing should show the current status of every ERC certificate. Every ERC certificate that is redeemed should be cross-referenced to this listing to determine if it is valid. The actual ERC certificate should be physically marked as redeemed and kept on file at the Town and the detailed listing updated accordingly.

## **OTHER INFORMATION**



# Town of Dundee

TOWN HALL

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

March 26, 2020

Dundee Town Commission  
202 E Main Street  
Dundee, Florida 33838

Honorable Mayor and Commissioners:

Town Management agrees with the Auditor's finding 2019-001: Idle Capacity Billing which indicates that 56 ERC certificates from home builders in 2019 and the town did not collect the unpaid idle capacity charges on the majority of the ERC certificates accepted during the 2019 calendar year.

Also, Auditor's finding 2019-002: Accounting for ERC Certificates which indicated that the town was unable to provide the auditing team the list of all unredeemed ERC certificates remaining.

Both findings has been addressed by Town Management and corrections are being made for the new fiscal year.

Sincerely,

Deena Ware  
Town Manager

Tandra Davis  
Finance Director

## AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Tandra Davis  
\_\_\_\_\_, Town of Dundee Finance Director, who being duly sworn, deposes and says on  
oath that:

1. I am the Finance Director of Finance for the Town of Dundee, a Florida municipal corporation. Pursuant to Section 2-136 of the *Code of Ordinances of the Town of Dundee, Florida*, I am responsible to administer the financial affairs of the Town of Dundee as its Chief Financial Officer.

2. The Town of Dundee duly adopted Ordinance No. 92-12 establishing and implementing the Town of Dundee Recreation Impact Fee(s).

3. The Town of Dundee duly adopted Ordinance No. 2005-97 establishing and implementing Municipal Services Impact Fee(s), as follows:

- (a) a "Police Services" impact fee;
- (b) a "Fire/Rescue Services" impact fee; and
- (c) a "Library Services" impact fee.

4. The Town of Dundee duly adopted Ordinance No. 99-07, as amended by Ordinances No. 01-10, No. 03-02, No. 04-29, No. 05-89 and No. 07-04, implementing the Town of Dundee Sewer Impact Fee(s).

5. The Town of Dundee duly adopted Ordinance No. 99-05, as amended by Ordinances No. 01-07, No. 04-29, No. 05-89 and No. 07-04, establishing and implementing the Town of Dundee Water Impact Fee(s).

7. The Town of Dundee duly adopted Ordinance No. 05-101, as amended by Ordinances No. 14-16 and No. 17-06, establishing and implementing the Town of Dundee Municipal Road Impact Fee(s).

8. The Town of Dundee duly adopted Ordinance No. 05-72, as amended by Ordinance No. 07-28, establishing and implementing the Town of Dundee of Sites For Public Uses or Fee-in-Lieu.

9. The Town of Dundee, Florida has complied with and, as of the date of this Affidavit remains in compliance with, Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

  
\_\_\_\_\_  
(Chief Financial Officer of the Entity)

STATE OF FLORIDA  
COUNTY OF POLK

SWORN TO AND SUBSCRIBED before me this 27<sup>th</sup> day of March, 2020.



NOTARY PUBLIC

Print Name Trevor Douthat

Personally known X or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires: 11-27-2020

