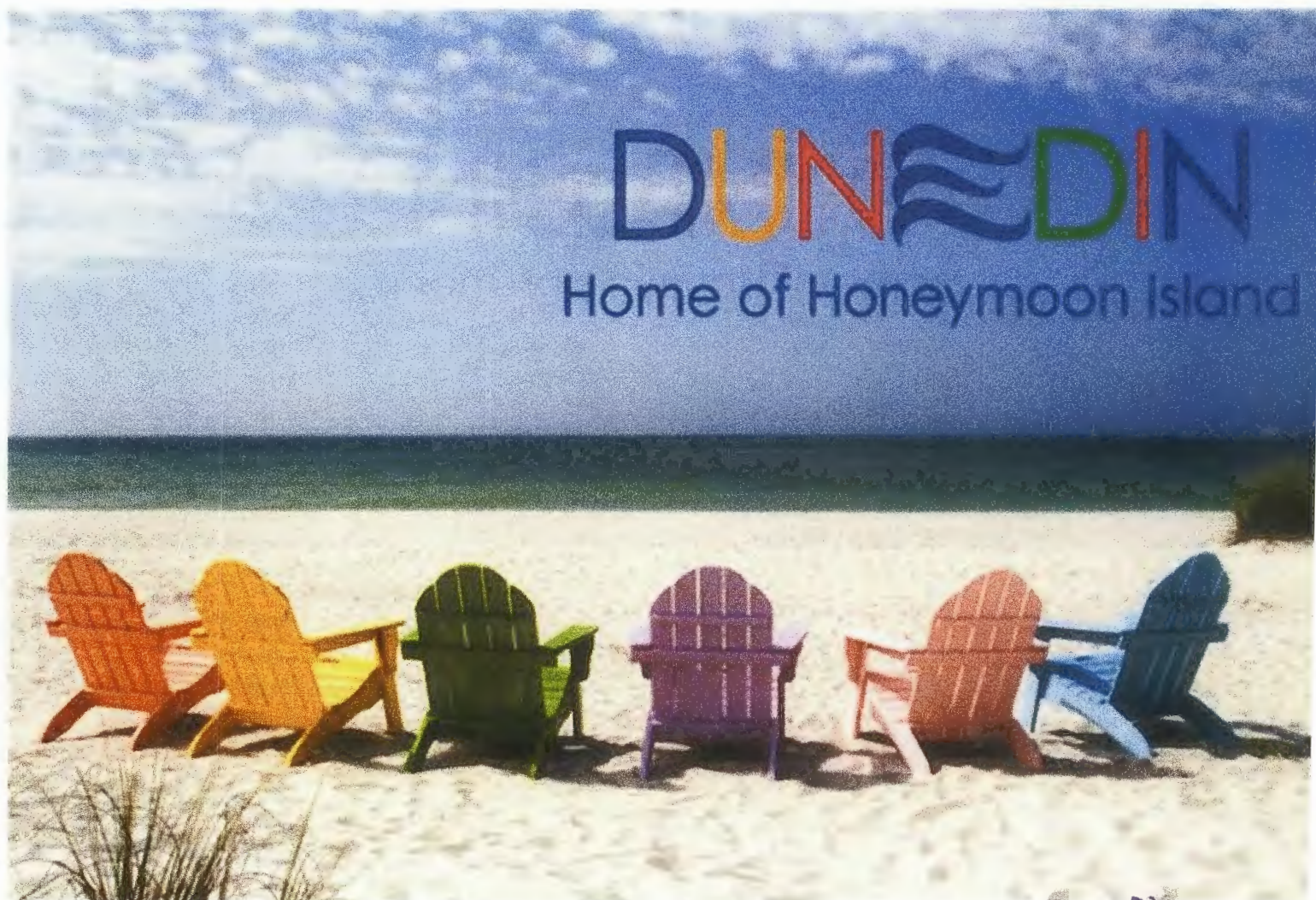


Clerk of the Circuit Court and Comptroller
Regular Public Meeting
June 2, 2015

8. Reports received for filing:
 - a. City of Belleair Beach Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2014.
 - b. City of Dunedin Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2014.
 - c. Dock Fee Report for the month of April 2015.

CITY OF DUNEDIN, FL. FISCAL YEAR ENDING

September 30, 2014



Comprehensive Annual Financial Report

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DUNEDIN, FLORIDA

“Dedicated to Quality Service”



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CITY OF DUNEDIN, FLORIDA

Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2014

CITY COMMISSION

**DAVE EGGERS
Mayor**

**JULIE SCALES
Vice Mayor**

**JULIE WARD BUJALSKI
Commissioner**

**RON BARNETTE
Commissioner**

**HEATHER GRACY
Commissioner**

CITY MANAGER

ROBERT DISPIRITO

FINANCE DIRECTOR

KAREN J. FEENEY

PREPARED BY: CITY OF DUNEDIN FINANCE DEPARTMENT

DUNEDIN

Home of Honeymoon Island

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City of Dunedin, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2014

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March 30, 2015

Honorable Mayor, Members of the City Commission
and Citizens of the City of Dunedin, Florida

Mayor, Commissioners and Citizens:

We hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Dunedin, Florida for the fiscal year ended September 30, 2014. This report fulfills the requirements set forth in Florida Statutes Chapter 218.39 and Rules of the Auditor General of the State of Florida, Chapter 10.550. This report presents a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP), and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants.

The report consists of management's representations concerning the finances of the City of Dunedin, Florida (the "City"). Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the City's management team has established a comprehensive internal control framework designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited in accordance with Generally Accepted Auditing Standards by Moore Stephens Lovelace, P.A. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for fiscal year ended September 30, 2014 are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City of Dunedin's financial statements for the year ended September 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated in June 1899, is located in the western part of the state, bordering the north side of Clearwater, Florida. The City currently occupies a land area of 10 square miles and serves a population of approximately 35,700. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by State statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under the Commission-Manager form of government. Policy-making and legislative authority are vested in a governing body consisting of the Mayor and four Commissioners. The City Commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Clerk, City Attorney and the independent auditor. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The City Commission is elected on a non-partisan basis. Commission members, to include the Mayor, serve four-year staggered terms, with up to two Commission members elected in any given year. The Mayor and the City Commission members are elected at large.

The City provides a full range of services, including fire protection and contracted law enforcement; the construction and maintenance of highways, streets, and other infrastructure; library; parks and recreation; marina; golf course, spring training facilities (for the Toronto Blue Jays); water and sewer; reclaimed water; and solid waste. The City also has a Community Redevelopment Agency which is reported within the City's financial statements.

The City Commission is required to hold two (2) public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., fire). Department Heads may make transfers of appropriations within a department and fund. Transfers of appropriations between funds, however, require the approval of the City Commission. Budget-to-Actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, Community Redevelopment Agency Fund, and the One Cent Sales Tax Fund, these comparisons are presented on pages 38 - 40 as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented on pages 99 - 107.

Local economy

Dunedin is a city located to the North and West of Tampa, Florida and directly to the North of Clearwater, Florida. The city mainly consists of residential land use (45 percent), with industrial and commercial land uses comprising only 5 percent of the City's land area. The economy of Dunedin is primarily dependent upon tourism, services and retirement living. Major employers include the Pinellas County School System, Mease Dunedin Hospital (a medical complex), Publix, the City of Dunedin, Mease Manor (a retirement facility), the Pinellas County Sheriff and Coca-Cola North America. The service industry (banking, retailing, personal services, etc.) has risen significantly to meet the demands of the area's population. Some local demographic data is presented below.

As of September 2014, the City's total labor force was 16,034 people and unemployment was at 5.8 percent, which is the same unemployment rate as the State of Florida. As of 2014, the City's total population was 35,690. The median age was 51.8 years of age, and median household income was \$37,732, while the State median income is \$46,956 based on the most recent census data. Approximately 28 percent of Dunedin's residents were of retirement age (65 and over) in 2014. The local economy is also influenced during the winter months by a seasonal population of approximately 4,000 people.

Dunedin attractions include: Caladesi Island and Honeymoon Island State Parks located on coastal waters on St. Joseph Sound located within Dunedin's city limits; the Pinellas County Trail and the Spring Training Facility for the Toronto Blue Jays. Dunedin also has a very low vacancy rate for commercial and office buildings; comparatively few vacant or foreclosed homes; and many events and activities in the city that keep it vibrant and fun year-round. Dunedin remains a choice area in which to reside.

Financial strategies that have helped the City through the economic downturn include reductions in operating costs via reorganizations and streamlining. After several years of declining revenue collection, the City is experiencing slow growth. Ad valorem taxes collected for fiscal year 2007, when property values were at their peak, were \$9,028,457. In fiscal year 2014, ad valorem taxes collected were \$6,176,681, which is a 31.6% decline in this revenue source since fiscal year 2007. However, total taxable assessed value increased \$40,253,472 or by 2.34% from \$1,719,145,488 in fiscal year 2013 to \$1,759,398,960 in fiscal year 2014. Ad valorem taxes, in fiscal year 2014, represent approximately 25.9% of General Fund revenues.

Sales tax revenues in the One Cent Sales Tax Fund have increased from \$3,013,050 in fiscal year 2013, to \$3,192,877 in fiscal year 2014, an increase of 5.9% or \$179,827. Additionally, it is up \$175,230 or 5.5% from fiscal year 2007.

During this same period, General Fund operating costs have decreased from \$25,611,235 in fiscal year 2007 to \$24,793,888 in fiscal year 2014, or by 3.1%, and the General Fund fund balance has decreased from \$8,587,201 to \$4,471,259, a decrease of 47.9%.

Due to its strong local economy, and sound fiscal policies, the City of Dunedin has maintained a credit rating of A1 from Moody's and AA- from Standard and Poor's.

Long-term financial planning and major initiatives

During November of 2013, the City issued \$1,280,000 Non-Ad Valorem Revenue Note, Series 2013. The purpose of incurring the debt was to partially fund the construction of a new fire station. The station was completed during FY2014 at a final cost of \$2,385,808. More information on this transaction can be found in the Financial Statement notes, Note IV., B, Long-Term Debt.

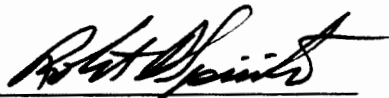
Unassigned fund balance, in the General Fund at year end, was \$3,217,422 or 78.8% of fund balance, and 13.0% of the fiscal year 2015 operating budget. Total fund balance in the General Fund was \$4,080,656. The goal for unassigned fund balance at year end is to be 15% of the next year's operating budget.

The City approved a Strategic Plan in 2010, which is the cornerstone of the City's service and operations delivery. The City's first step in allocating available resources is gaining an understanding of the needs and desires of the residents of Dunedin, as well as the environmental factors that will affect the City's future. The City Commission established a vision for the level of service to be provided along with the resources to deliver them. This vision was attained through the Parks & Recreation Strategic Plan, the Community Visioning Process, the Inclusion Committee Report, the Stormwater Utility Master Plan, the Dunedin Comprehensive Plan and input from City Departments. These plans are updated on a regular basis so as to remain current and useful.


Acknowledgements

Preparation of the CAFR and completion of the audit was made possible by the dedicated efforts of everyone in the Finance Department. Special appreciation is expressed to Scott Caterson for his technical expertise and incorporating numerous quality controls into the CAFR. Also, special thanks to Scott Caterson and Ashley Storer for assisting with year-end journal entries and assisting with the preparation of the financial statements, notes, RSI and statistical section. Special appreciation is expressed to Tanya Hart for accurate recording of all year-end accounts payable and to Lori Wagner for reconciling and accurately reporting all accounts receivable especially utility billing. Appreciation is expressed to Chuck Ankney for reconciling and preparing all capital asset reports. Recognition is given to Kathy Oster, CPA, CGFO for coordinating the preparation of the CAFR, year-end closing activities and managing the audit process. We would also like to express our appreciation to the Mayor and the City Commission for their support, and the firm of Moore Stephens Lovelace P.A. who provided their expertise through this audit.

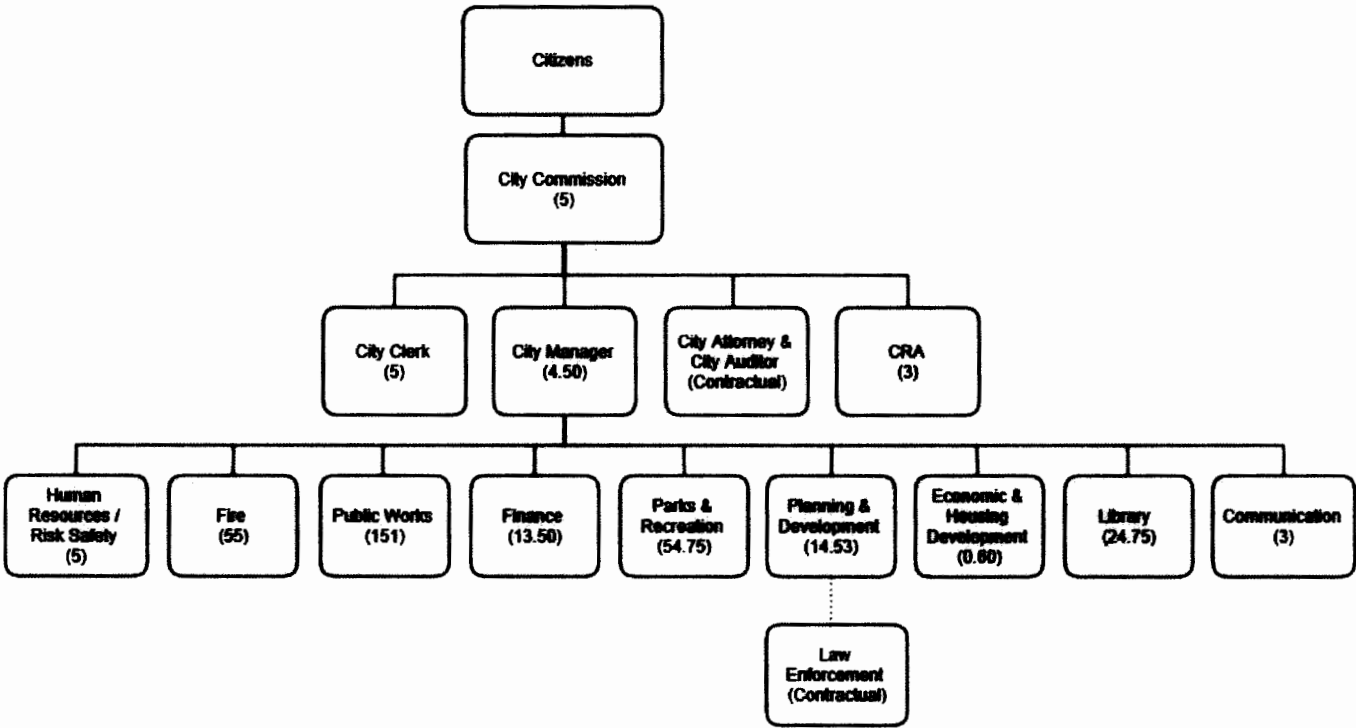
Respectfully submitted,



Robert DiSpirito
City Manager


Kathy Oster, CPA, CGFO
Accounting Manager

**Adopted FY 2014 Organization Chart with
Full Time Equivalents (FTEs)**



Total authorized FTEs = 339.63

City of Dunedin, Florida
Certificate of Achievement

For the year ended September 30, 2013

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dunedin, Florida, for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

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

Presented to

**City of Dunedin
Florida**

**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended**

September 30, 2013

Executive Director/CEO

DUNEDIN

Home of Honeymoon Island

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**MOORE STEPHENS
LOVELACE, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dunedin, Florida (the "City") as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City'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 did not audit the financial statements of the City's Municipal Firefighters' Pension Trust Fund which represent 100% of the assets and net position of the fiduciary fund. Those financial statements were audited by other auditors, whose report thereon has been furnished to us and our opinion, insofar as it relates to the amounts included for the aforementioned fiduciary fund, is based solely on the report of the other auditors. 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 of 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 City'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 City'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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2014, and the respective changes in financial position, and cash flows, where applicable, and the budgetary to actual for the Major Funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and statistical section 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 30, 2015, on our consideration of the City'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 City's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

Management's Discussion and Analysis

As management of the City of Dunedin, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal, which can be found on pages 7 – 10 of this report.

Financial Highlights

- The assets of the City of Dunedin, at \$177,835,520, exceeded its liabilities at the close of fiscal year 2014 by \$132,791,013 (*net position*), an increase of \$6,227,551 (4.9%) in net position compared to the prior year balance. This increase is the result of governmental net position increasing \$7,142,131 (10.33%) during the year along with the business-type net position decreasing \$914,580 (1.59%).
 - Of this net position amount, \$97,638,286 (73.5%) is invested in capital assets and \$6,024,855 (4.5%) is restricted. The remaining \$29,127,872 (21.9%) represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens, creditors and other agencies.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,897,181 an increase of \$988,080 (12.5%) in comparison with the prior year combined ending fund balances. Approximately 36% of this amount, \$3,217,422, is in *unassigned fund balance*, and therefore available for spending at the City's discretion. The remainder is restricted, committed, or assigned for open contracts, programs, debt, etc.
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$3,511,287, or approximately 11.8% of total general fund expenditures.
- The City's total outstanding debt decreased by \$1,316,721 (3.6%) during the current fiscal year. Debt service payments exceeded new debt obligations. Debt for Governmental Activities decreased a net total of \$416,721 (3.46%). This is a result of new debt issuance and scheduled debt service payments. Debt for Business-type Activities decreased \$900,000 (3.93%) as a result of scheduled debt service payments. These changes are illustrated later in the MD&A in the "Outstanding Debt" table on page 28, and in the notes to the financial statements concerning long-term liabilities (see Note IV., B., Long-Term Debt).

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City's basic financial statements. The City of Dunedin's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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 City's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the City's assets and liabilities with the difference 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 City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows during future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City 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 City include general government, public safety, transportation, economic development, and culture and recreation. The business-type activities of the City include solid waste, water/sewer utility, stormwater utility, and marina operations. During the current fiscal year golf operations were moved from the business-type activities to governmental activities in culture and recreation.

The government-wide financial statements include not only the City of Dunedin itself, but also the Community Redevelopment Agency (CRA). Although the CRA is legally separate, it is financially accountable to the City. The City Commission serves as the governing body for the CRA.

The government-wide financial statements can be found on pages 32 – 33 of this report.

Fund financial statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the one cent sales tax fund, and the community redevelopment agency fund, all of which are considered major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its governmental funds with an adopted Plan for the subsequent fiscal year. Budgetary comparison statements demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 34 – 40 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its solid waste, water and wastewater utility, stormwater utility and marina operations. As stated earlier, during the current fiscal year, activity for golf operations has been moved to the general fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle maintenance, building maintenance, and self-insurance functions. All three services have been allocated between governmental and business-type activities based on contribution rates within the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on each enterprise activity, all of which are considered to be major funds of the City. Conversely, the three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 42 – 46 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reported in the government-wide

financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 48 – 49 of this report.

Notes to the financial statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 51 – 88 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees. Required supplementary information regarding pension funding can be found on page 90 – 91 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 95 – 112 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Dunedin, assets (\$177,835,520) exceeded liabilities (\$45,044,507) by \$132,791,013 as of September 30, 2014, an increase of \$6,227,551 (4.9%) over the prior fiscal year end.

As illustrated in the table on the next page, the largest portion of the City's net position (73.5%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, improvements other than buildings, and machinery and equipment), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its residents. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, *restricted net position* at \$6,024,855 or 4.5%, represents resources that are subject to external restrictions on how they may be used, e.g., for debt and capital improvements. Restricted net position increased 8.1% or \$453,619 during the year.

The remaining balance of *unrestricted net position* \$29,127,872 decreased \$219,775 or 0.7% during the year, and is used to meet the City's ongoing obligations to citizens and creditors.

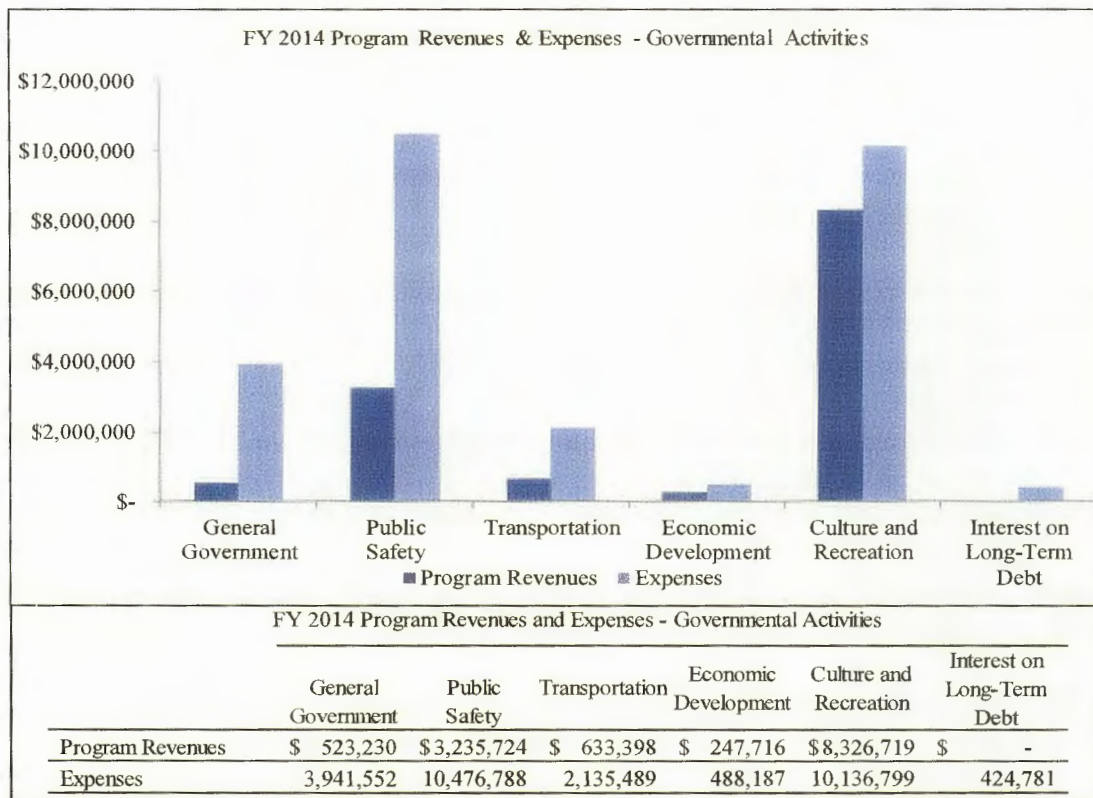
City of Dunedin, Florida Net Position September 30, 2013 and 2014						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 15,022,905	\$ 15,201,437	\$ 27,484,931	\$ 29,042,402	\$ 42,507,836	\$ 44,243,839
Capital Assets	77,816,875	70,861,524	57,510,809	58,351,270	135,327,684	129,212,794
Total Assets	92,839,780	86,062,961	84,995,740	87,393,672	177,835,520	173,456,633
Current liabilities	2,011,022	2,605,398	3,397,537	3,754,862	5,408,559	6,360,260
Long-term liabilities outstanding:						
Due within one year	1,966,659	1,778,638	1,231,465	1,032,460	3,198,124	2,811,098
Due in more than one year	12,553,843	12,512,800	23,883,981	25,209,013	36,437,824	37,721,813
Total Liabilities	16,531,524	16,896,836	28,512,983	29,996,335	45,044,507	46,893,171
Net Position:						
Net investment in capital assets	64,104,251	58,239,411	33,534,035	33,405,168	97,638,286	91,644,579
Restricted	4,840,593	4,424,603	1,184,262	1,146,633	6,024,855	5,571,236
Unrestricted	7,363,412	6,502,111	21,764,460	22,845,536	29,127,872	29,347,647
Total net position	\$ 76,308,256	\$ 69,166,125	\$ 56,482,757	\$ 57,397,337	\$ 132,791,013	\$ 126,563,462

Governmental activities. How the City's net position changed during the most recent fiscal year is reflected in the statement of activities, a summary of which is shown in the table on the next page. This statement divides the activities between governmental activities and business-type activities. Governmental activities increased the City's net position by \$7,142,131 after transfers. Key elements of this change are as follows:

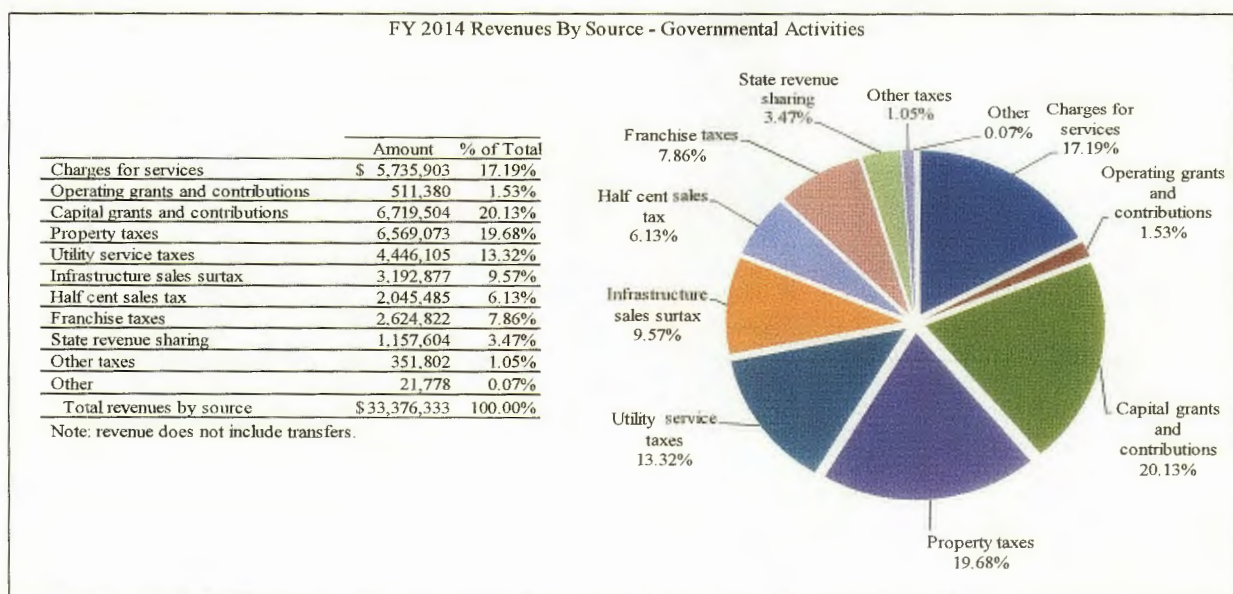
- Total revenues were up \$6,538,573 from \$26,837,760 to \$33,376,333. This was due in large part from a capital contribution (building improvements) of \$5,080,560 from the Dunedin Fine Arts Center. Charges for services decreased \$449,842 or 7.3%, while property and other taxes increased by a total of \$1,783,592, or 9.6%, during the year. Property tax revenue increased by 13.9% from fiscal year 2013.
- Total expenses were up \$797,349 (3.0%), after being up \$359,170 (1.4%) in fiscal 2013.
- Transfers in were up \$1,367,597, nearly 100% from \$1,800 in fiscal year 2013. In the current fiscal year activity from the golf course (business-type activity) was transferred to governmental activities as well as \$1,227,852 worth of golf course capital assets.

City of Dunedin, Florida
Changes in Net Position
September 30, 2013 and 2014

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues						
Charges for services	\$ 5,735,903	\$ 6,185,745	\$ 23,541,576	\$ 23,521,041	\$ 29,277,479	\$ 29,706,786
Operating grants and contributions	511,380	381,213	-	-	511,380	381,213
Capital grants and contributions	6,719,504	1,606,456	1,375,017	137,414	8,094,521	1,743,870
General revenues:						
Property taxes	6,569,073	5,767,080	-	-	6,569,073	5,767,080
Utility services taxes	4,446,105	4,223,089	-	-	4,446,105	4,223,089
Intergovernmental revenues	9,020,788	8,442,051	-	-	9,020,788	8,442,051
Other taxes	351,802	171,956	-	-	351,802	171,956
Other	21,778	60,170	121,671	64,788	143,449	124,958
Total Revenues	33,376,333	26,837,760	25,038,264	23,723,243	58,414,597	50,561,003
Expenses:						
General government	3,941,552	3,359,312	-	-	3,941,552	3,359,312
Public safety	10,476,788	10,361,120	-	-	10,476,788	10,361,120
Transportation	2,135,489	1,999,785	-	-	2,135,489	1,999,785
Economic development	488,187	445,629	-	-	488,187	445,629
Culture and recreation	10,136,799	10,111,776	-	-	10,136,799	10,111,776
Interest on long-term debt	424,781	528,625	-	-	424,781	528,625
Solid waste	-	-	5,229,076	5,335,131	5,229,076	5,335,131
Water/Sewer utility	-	-	15,970,790	15,508,529	15,970,790	15,508,529
Stormwater utility	-	-	3,037,098	2,725,954	3,037,098	2,725,954
Marina	-	-	345,892	292,000	345,892	292,000
Golf Course	-	-	594	30,206	594	30,206
Total Expenses	27,603,596	26,806,247	24,583,450	23,891,820	52,187,046	50,698,067
Increase (decrease) in net position before transfers	5,772,737	31,513	454,814	(168,577)	6,227,551	(137,064)
Transfers	1,369,394	1,800	(1,369,394)	(1,800)	-	-
Increase (decrease) in net position after transfers	7,142,131	33,313	(914,580)	(170,377)	6,227,551	(137,064)
Net position as of October 1	69,166,125	69,132,812	57,397,337	57,567,714	126,563,462	126,700,526
Prior Period Adjustment	-	-	-	-	-	-
Net position as of September 30	\$ 76,308,256	\$ 69,166,125	\$ 56,482,757	\$ 57,397,337	\$ 132,791,013	\$ 126,563,462



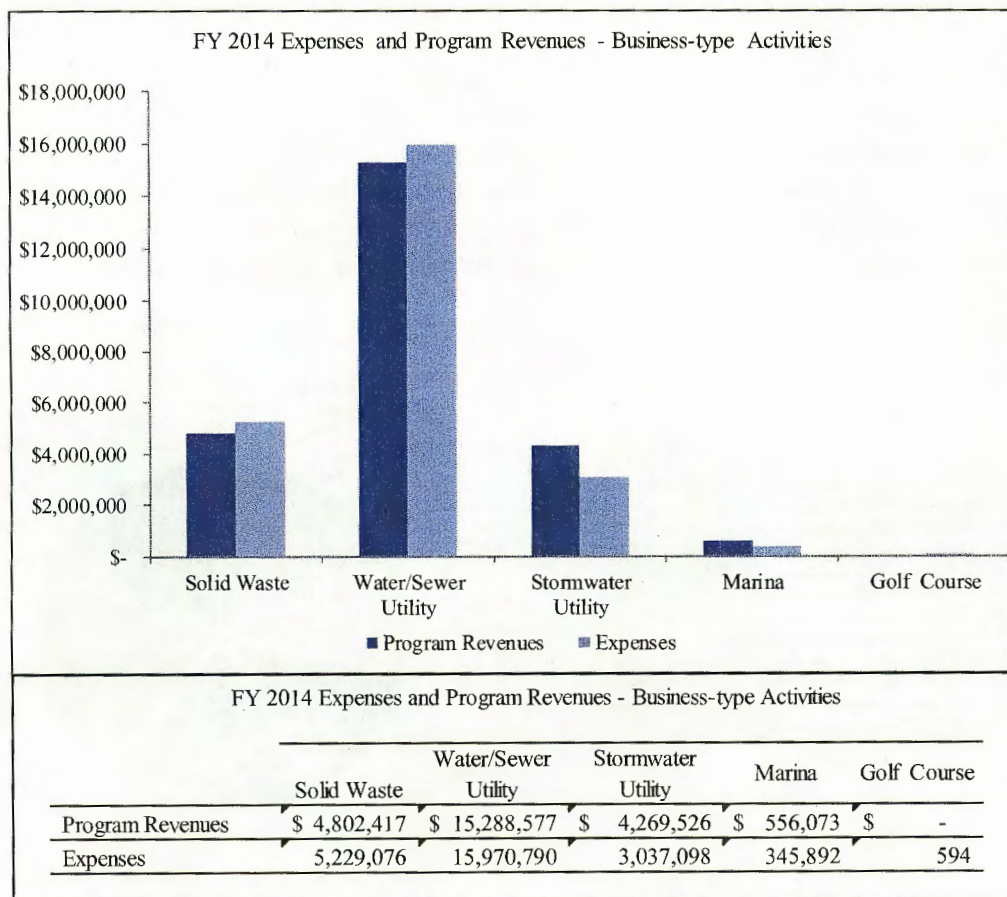
As the bar chart above illustrates, governmental activities do not typically pay for themselves. For example, culture and recreation expenses of \$10,136,799 exceed the \$8,326,719 in revenues. The pie chart below shows that overall, 39% of offsetting revenues for governmental activity expenses come from specific charges for services, operating grants/contribution and capital grants. The remaining 61% of revenue supporting governmental activities comes from property taxes (20%) and other taxes (41%), with a minute portion from investment earnings.



Business-type activities. Business type activities increased the City's net position by \$454,814 before transfers and decreased it by \$914,580 after transfers. Key elements of this decrease are as follows:

- Operating expenses for business-type activities increased 2.89% (\$691,630) from fiscal year 2013. Revenues increased \$1,315,021, or 5.5%.
- Charges for services revenues for business-type activities remained relatively unchanged increasing by \$20,535 (0.1%).
 - Solid waste operating revenues were up \$87,719 or 1.9%, from \$4,687,484 to \$4,775,203.
 - Water and wastewater utility operating revenues were down \$165,762 or 1.1%, from \$15,419,636 to 15,253,874.
 - Stormwater utility operating revenues increased \$19,210 or 0.7%, from \$2,937,216 to \$2,956,426.
- Transfers out were up \$1,367,597, nearly 100% from \$1,800 in fiscal year 2013. As noted earlier, golf course assets worth \$1,227,852 were transferred to governmental activities.

As the bar chart below illustrates, unlike governmental activities, business-type activities are typically able to pay for themselves through specific user charges and revenue sources.



Fund Level Financial Analysis

Governmental funds. As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Included are governmental funds and proprietary funds. The general fund, one cent sales tax fund, community redevelopment agency fund, and a variety of special revenue funds are recorded in the *governmental funds*. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,897,181 an increase of \$988,080 in comparison with the prior fiscal year. Approximately 36% of this amount (\$3,217,422) constitutes unassigned fund balance, which is available for spending. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned*, to indicate that it is 1) not in spendable form (\$221,795), 2) legally required to be maintained intact (\$4,835,694), 3) committed for particular purposes (\$556,823), or 4) assigned for particular purposes (\$65,447).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,217,422, while total fund balance increased 7.1% to \$4,080,656. As a measure of general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 11% of total general fund expenditures for the current fiscal year, while total fund balance represents 13.8% of that same amount.

The fund balance of the City's general fund increased \$271,032 (7.1%) during the current fiscal year.

- The general fund 'Final Budget' budgeted for a deficit of \$1,583,084 excluding transfers and sale of general fixed assets. At fiscal year-end, actual revenues surpassed budgeted revenues by \$251,981. Actual expenditures were \$458,874 under budget, resulting in a total deficit of only \$872,229 before transfers and sale of general fixed assets.
- Most notably on the revenue side, both fines and property taxes, exceeded budget expectations by \$165,951 and \$57,708 respectively. On the expenditure side; Capital outlay was under budget by \$253,359, Parks was under budget by \$66,542 and Finance was under budget by \$49,132.
- Revenues, at \$23,818,048, increased \$1,342,500 from fiscal year 2013 revenues of \$22,475,548.

The one-cent sales tax fund has a total fund balance of \$2,549,410, all of which is restricted. The net increase in fund balance during the current year in the one-cent sales tax fund was \$298,511.

- The revenues from the current fiscal year were \$3,536,298 while the expenditures were \$1,899,652. Of that expenditure amount, \$735,583 (38.7%) was spent on debt service.
- Total revenues increased \$518,059, or 17.2%, compared to fiscal year 2013.
- Total expenditures increased \$477,175, or 33.5%, compared to fiscal year 2013.

The community redevelopment agency (CRA) fund has a total fund balance of \$459,571. The CRA fund balance decreased \$21,601 during the year.

- The revenues from the current fiscal year were \$435,197, including \$392,392 in property tax revenue, while expenditures were \$517,898. Total revenues decreased \$19,741, or 4.3%, compared to fiscal year 2013. Property tax revenues, the main source of revenue for the CRA, increased \$28,665 (7.9%) from fiscal year 2013.
- Total expenditures decreased \$213,886, or 29.2%, compared to fiscal year 2013.

As noted earlier the City maintains twelve individual governmental funds. The three listed above are all considered major funds. The other nine governmental funds are considered non-major governmental funds. During the current fiscal year, the City determined that three of the non-major governmental funds were no longer needed to segregate specific activities or for compliance with legal requirements.

- Balance of \$22,022 in the government grants fund was transferred to the general fund. In the current fiscal year grants are recorded in the fund receiving benefit from the grant.
- Balance of \$1,133 in the debt service fund was transferred to the general fund. The debt was satisfied in fiscal year 2013 and a segregated fund is no longer a legal requirement.
- Balance of \$3,448 in the G. Koutsourias youth fund was transferred to the general fund. This scholarship fund approved by Commission is still active.

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

- In the solid waste fund, net position increased \$142,198 (20.6%) from fiscal year 2013. There was an increase in charges for services revenue of \$80,319 and a decrease in supplies and services expenses of \$417,633 compared to fiscal year 2013. However, this fund still incurred an operating loss of \$368,820. An interfund transfer in of \$520,000 reduced the loss by \$151,180.
- In the water/wastewater fund, net position decreased \$1,287,387 (3.4%) from fiscal year 2013. This was largely due to non-operating expenses comprising of interest and amortization expenses of \$765,024 and an interfund transfer out of \$634,848.
- In the stormwater fund, net position increased \$1,224,449 (9.4%) from fiscal year 2013. This was largely due to capital grant contributions of \$1,313,100.
- In the marina fund, net position increased \$236,221 (13.5%) from fiscal year 2013. Operating revenues continue to exceed operating expenditures. Operating revenue is up \$86,820 over fiscal year 2013 by 18.5%. While operating expenses increased \$15,120 or 4.5% from the prior year.

- In the golf course fund, net position decreased \$1,236,124 (100.0%) from fiscal year 2013. Activity has been moved from this enterprise fund to the general fund. Consequently, the golf course fund shows a loss due to the disposal of the capital assets.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year there were only two significant amendments to adjust the original estimated general fund revenues. Utility Service revenue was decreased by \$352,770 due to lighter utility use and Intergovernmental revenue was increased by \$66,021 to reflect actual collections.

Some significant changes to the original budgeted appropriations were:

- An increase in Fire Control expenditures of \$127,075 due to increased funding demands for insurance and retirement plans
- An increase in Library expenditures of \$191,065 due mainly to building maintenance costs and health insurance costs
- An increase in Recreation expenditures of \$108,569 due to costs for additional services which were predominantly offset by grants and contributions.

Final budget compared to actual results.

Actual general fund revenues exceeded budget by \$251,981 or by 1.0%, primarily due to conservative projections.

Actual general fund expenditures were under budgeted appropriations by \$458,874 or by 1.8%, mainly due to general government cost underruns.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its government and business-type activities as of September 30, 2014, amounts to \$135,327,684 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net increase in capital assets for the current fiscal year was approximately 4.7%.

Significant additions to the governmental activities include:

- \$5,080,560 conveyance of building improvements to the City for the Dunedin Fine Arts Center Building
- \$1,227,852 transfer of capital assets from the golf course fund comprising of \$1,073,532 in land; \$62,678 in buildings; and \$91,642 in improvements other than buildings

Additional information on the City's capital assets can be found on pages 66 - 69 of this report in the notes to the financial statements (see Note IV, A.3.).

City of Dunedin, FL Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 20,807,826	\$ 19,734,294	\$ 555,364	\$ 1,628,896	\$ 21,363,190	\$ 21,363,190
Buildings	28,809,026	22,045,004	876,795	1,063,497	29,685,821	23,108,501
Infrastructure	6,995,182	6,855,968	-	-	6,995,182	6,855,968
Improvements other than Building	14,670,943	15,925,229	52,295,242	52,069,227	66,966,185	67,994,456
Machinery and Equipment	5,836,761	5,539,091	845,082	909,981	6,681,843	6,449,072
Construction in Progress	697,137	761,938	2,938,326	2,679,669	3,635,463	3,441,607
Total Capital Assets	\$ 77,816,875	\$ 70,861,524	\$ 57,510,809	\$ 58,351,270	\$ 135,327,684	\$ 129,212,794

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$34,936,499. Of this amount, \$415,177 comprises capital leases and \$34,521,322 of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds).

City of Dunedin, FL Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Capital leases	\$ 415,177	\$ 717,262	\$ -	\$ -	\$ 415,177	\$ 717,262
Revenue bonds	11,645,322	11,759,958	22,876,000	23,776,000	34,521,322	35,535,958
Total Liabilities	\$ 12,060,499	\$ 12,477,220	\$ 22,876,000	\$ 23,776,000	\$ 34,936,499	\$ 36,253,220

The City's total outstanding debt decreased by \$1,316,721 during the current fiscal year. Additional information on the City's long-term debt can be found on pages 70 – 74 in the notes to the financial statements (see Note IV.B).

Economic Factors and Next Year's Budgets and Rates

- At the end of the fiscal year, the unemployment rate for the City of Dunedin was 5.8%, which is lower than the rate of 6.2% a year ago, below the national rate of 5.9% (September, 2014), and the same as the state's unemployment rate of 5.8% (September, 2014).
- An estimated 6.29% increase in taxable property valuation is budgeted for fiscal year 2015 and the property tax millage remains at 3.7345 mills in fiscal year 2015.
- The occupancy rate of the City's downtown has remained high in the downtown area, with minimal vacancies.
- The City is substantially built out and thereby minimizes any major growth impacts.
- The City is largely residential, at approximately 82% of assessed value.

All of these factors were considered in preparing the City's budget for the 2015 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Finance Director, at 750 Milwaukee Ave., City of Dunedin, Florida, 34698.

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Home of Honeymoon Island

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Basic Financial Statements

City of Dunedin, Florida
Statement of Net Position
September 30, 2014

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash, cash equivalents, and investments	\$ 15,295,228	\$ 15,387,435	\$ 30,682,663
Receivables, net of allowance for uncollectibles	704,404	5,245,990	5,950,394
Internal balances	(3,178,754)	3,178,754	-
Due from other governments	1,639,914	373,069	2,012,983
Inventories	100,616	580,517	681,133
Prepaid items	245,684	3,175	248,859
Accrued interest receivable	6,051	14,505	20,556
Deposits	100,735	-	100,735
Restricted cash and cash equivalents	-	2,621,205	2,621,205
Net Pension Assets	109,027	-	109,027
Unamortized bond costs	-	80,281	80,281
Capital assets, net of accumulated depreciation			
Land	20,807,826	555,364	21,363,190
Buildings	28,809,026	876,795	29,685,821
Infrastructure	6,995,182	-	6,995,182
Improvements other than buildings	14,670,943	52,295,242	66,966,185
Machinery and equipment	5,836,761	845,082	6,681,843
Construction in progress	697,137	2,938,326	3,635,463
Total assets	<u>92,839,780</u>	<u>84,995,740</u>	<u>177,835,520</u>
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	1,828,844	1,554,538	3,383,382
Accrued interest payable	165,260	406,056	571,316
Due to other governments	16,918	-	16,918
Liabilities payable from restricted assets	-	1,436,943	1,436,943
Noncurrent liabilities:			
Due within one year	1,966,659	1,231,465	3,198,124
Due in more than one year	12,553,843	23,883,981	36,437,824
Total liabilities	<u>16,531,524</u>	<u>28,512,983</u>	<u>45,044,507</u>
<u>NET POSITION</u>			
Net investment in capital assets	64,104,251	33,534,035	97,638,286
Restricted for:			
Capital projects	3,876,774	1,184,262	5,061,036
Community Redevelopment Agency	459,571	-	459,571
Stadium	118,014	-	118,014
Bequests	215,337	-	215,337
Other	170,897	-	170,897
Unrestricted	7,363,412	21,764,460	29,127,872
Total net position	<u>\$ 76,308,256</u>	<u>\$ 56,482,757</u>	<u>\$ 132,791,013</u>

The notes to the financial statements are an integral part of this statement.

**City of Dunedin, Florida
Statement of Activities
For the Fiscal Year Ended 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
<u>Governmental activities:</u>							
General government	\$ 3,941,552	\$ 523,230	\$ -	\$ -	\$ (3,418,322)	\$ -	\$ (3,418,322)
Public safety	10,476,788	3,227,174	6,488	2,062	(7,241,064)	-	(7,241,064)
Transportation	2,135,489	-	-	633,398	(1,502,091)	-	(1,502,091)
Economic development	488,187	42,216	-	205,500	(240,471)	-	(240,471)
Culture and recreation	10,136,799	1,943,283	504,892	5,878,544	(1,810,080)	-	(1,810,080)
Interest on long-term debt	424,781	-	-	-	(424,781)	-	(424,781)
Total governmental activities	27,603,596	5,735,903	511,380	6,719,504	(14,636,809)	-	(14,636,809)
<u>Business-type activities:</u>							
Solid waste	5,229,076	4,775,203	-	27,214	-	(426,659)	(426,659)
Water/Sewer utility	15,970,790	15,253,874	-	34,703	-	(682,213)	(682,213)
Stormwater utility	3,037,098	2,956,426	-	1,313,100	-	1,232,428	1,232,428
Marina	345,892	556,073	-	-	-	210,181	210,181
Golf course	594	-	-	-	-	(594)	(594)
Total business-type activities	24,583,450	23,541,576	-	1,375,017	-	333,143	333,143
Total primary government	\$ 52,187,046	\$ 29,277,479	\$ 511,380	\$ 8,094,521	(14,636,809)	333,143	(14,303,666)
General Revenues:							
Property taxes					6,569,073	-	6,569,073
Utility service taxes					4,446,105	-	4,446,105
Intergovernmental revenues:							
Infrastructure sales surtax					3,192,877	-	3,192,877
Half cent sales tax					2,045,485	-	2,045,485
Franchise taxes					2,624,822	-	2,624,822
State revenue sharing					1,157,604	-	1,157,604
Other taxes					351,802	-	351,802
Unrestricted investment earnings / (loss)					21,778	121,671	143,449
Transfers					1,369,394	(1,369,394)	-
Total general revenues and transfers					21,778,940	(1,247,723)	20,531,217
Change in net position					7,142,131	(914,580)	6,227,551
Net position - beginning					69,166,125	57,397,337	126,563,462
Net position - ending					\$ 76,308,256	\$ 56,482,757	\$ 132,791,013

The notes to the financial statements are an integral part of this statement.

**City of Dunedin, Florida
Balance Sheet
Governmental Funds
September 30, 2014**

	General Fund	One Cent Sales Tax Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash, cash equivalents, and investments	\$ 3,377,820	\$ 2,081,608	\$ 498,539	\$ 1,785,922	\$ 7,743,889
Receivables-net of allowance for uncollectibles	685,466	1,678	2,402	3,396	692,942
Due from other governments	676,737	841,116	-	122,061	1,639,914
Inventories	2,651	-	-	-	2,651
Prepaid items	214,245	-	4,899	-	219,144
Deposits	275	-	-	500	775
Total assets	<u>\$ 4,957,194</u>	<u>\$ 2,924,402</u>	<u>\$ 505,840</u>	<u>\$ 1,911,879</u>	<u>\$ 10,299,315</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 304,433	\$ 298,113	\$ 34,967	\$ 61,543	\$ 699,056
Contracts payable	42,970	76,879	4,091	19,693	143,633
Accrued salaries payable	396,420	-	7,211	12,476	416,107
Deposits payable	900	-	-	500	1,400
Unearned revenue	121,298	-	-	-	121,298
Due to other governments	6,795	-	-	10,123	16,918
Other current liabilities	3,722	-	-	-	3,722
Total liabilities	<u>876,538</u>	<u>374,992</u>	<u>46,269</u>	<u>104,335</u>	<u>1,402,134</u>
Fund Balances:					
Non Spendable	216,896	-	4,899	-	221,795
Restricted	352,473	2,549,410	454,672	1,479,139	4,835,694
Committed	228,418	-	-	328,405	556,823
Assigned	65,447	-	-	-	65,447
Unassigned	3,217,422	-	-	-	3,217,422
Total fund balances	<u>4,080,656</u>	<u>2,549,410</u>	<u>459,571</u>	<u>1,807,544</u>	<u>8,897,181</u>
Total liabilities and fund balances	<u>\$ 4,957,194</u>	<u>\$ 2,924,402</u>	<u>\$ 505,840</u>	<u>\$ 1,911,879</u>	<u>\$ 10,299,315</u>

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

Total fund balances - governmental funds	8,897,181
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	69,083,590
Net pension asset resulting from the effect of contributing more than the annual required actuarial contribution.	109,027
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	121,298
Internal service funds are used by management to charge the costs of fleet and facility management and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	10,269,274
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(12,172,114)
Net position of governmental activities	<u>\$ 76,308,256</u>

The notes to the financial statements are an integral part of this statement.

DUNEDIN

Home of Honeymoon Island

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City of Dunedin, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended 2014

	General Fund	One Cent Sales Tax Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Taxes:					
Property	\$ 6,176,681	\$ -	\$ 392,392	\$ -	\$ 6,569,073
Franchise	2,624,822	-	-	-	2,624,822
Utility service	4,446,105	-	-	-	4,446,105
Licenses and permits	941,721	-	-	-	941,721
Intergovernmental	3,435,356	3,532,565	-	1,639,831	8,607,752
Charges for services	5,237,226	-	-	300,493	5,537,719
Fines	378,643	-	-	-	378,643
Investment earnings	6,509	3,733	589	3,828	14,659
Rents	290,094	-	33,275	6,000	329,369
Contributions and donations	70,001	-	-	27,000	97,001
Other revenue	210,890	-	8,941	54,437	274,268
Total revenues	<u>23,818,048</u>	<u>3,536,298</u>	<u>435,197</u>	<u>2,031,589</u>	<u>29,821,132</u>
<u>EXPENDITURES</u>					
Current:					
General government	4,310,528	-	-	55,788	4,366,316
Public safety	10,175,544	-	-	-	10,175,544
Transportation	1,610,282	-	-	84,541	1,694,823
Economic environment	-	-	448,045	-	448,045
Culture and recreation	7,500,689	-	-	803,828	8,304,517
Debt service:					
Principal	-	450,000	-	944,636	1,394,636
Interest	-	285,583	-	58,114	343,697
Capital outlay:					
General government	95,714	569,112	-	136,488	801,314
Public safety	101,826	-	-	-	101,826
Transportation	21,588	393,666	-	366,323	781,577
Economic development	-	194,037	38,786	-	232,823
Culture and recreation	617,701	7,254	-	176,129	801,084
Aids and grants	256,405	-	31,067	-	287,472
Total expenditures	<u>24,690,277</u>	<u>1,899,652</u>	<u>517,898</u>	<u>2,625,847</u>	<u>29,733,674</u>
Excess of revenues over (under) expenditures	<u>(872,229)</u>	<u>1,636,646</u>	<u>(82,701)</u>	<u>(594,258)</u>	<u>87,458</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Sale of general capital assets	25,817	-	-	-	25,817
Transfers in	1,415,444	-	96,000	1,185,999	2,697,443
Transfers out	(298,000)	(1,338,135)	(34,900)	(151,603)	(1,822,638)
Total other financing sources (uses)	<u>1,143,261</u>	<u>(1,338,135)</u>	<u>61,100</u>	<u>1,034,396</u>	<u>900,622</u>
Net change in fund balances	271,032	298,511	(21,601)	440,138	988,080
Fund balances - beginning	<u>3,809,624</u>	<u>2,250,899</u>	<u>481,172</u>	<u>1,367,406</u>	<u>7,909,101</u>
Fund balances - ending	<u>\$ 4,080,656</u>	<u>\$ 2,549,410</u>	<u>\$ 459,571</u>	<u>\$ 1,807,544</u>	<u>\$ 8,897,181</u>

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended 2014

Net change in fund balances - total governmental funds (page 36) \$ 988,080

Amounts reported for governmental activities in the statement of activities (page 33) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	2,718,624	
Less current year depreciation	<u>(3,454,530)</u>	(735,906)

Governmental funds focus on current financial resources. Consequently, donations of capital assets are not reported in governmental funds. However, in the statement of activities the value of the donation is recorded as revenue and the asset is recorded in the statement of net position.

Official conveyance of building improvements from the Dunedin Fine Arts Center		5,080,560
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A transfer of capital assets from an enterprise fund to governmental activities is recorded as a disposal of capital assets for the enterprise fund. Since there is no flow of current resources the governmental fund does not record the event. In the statement of activities the reassignment is recorded as a transfer.

Transfer Golf Course Fund Capital Assets to Governmental Funds		1,227,852
--	--	-----------

Loss on disposal of capital assets - Governmental Funds		(20,405)
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt Issuance	-	
Principal payments	<u>1,394,636</u>	1,394,636

Pension contributions more than the annual pension costs increase the net pension asset on the statement of net position		2,267
--	--	-------

Unearned Revenue

Governmental funds do not record revenue in connection with resources that have been received, but not yet earned. Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate current period liabilities

41,845

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

Change in compensated absences / OPEB liability	(90,598)	
Change in accrued interest expense	<u>(9,774)</u>	(100,372)

Internal service funds are used by management to charge the costs of vehicle maintenance, facility maintenance and self insurance to individual funds. The net income (loss) of the internal service funds is reported with governmental activities.

(736,426)

Change in net position of governmental activities (page 33)		<u>\$ 7,142,131</u>
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City of Dunedin, Florida
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
<u>REVENUES</u>				
Taxes:				
Property	\$ 6,118,973	\$ 6,118,973	\$ 6,176,681	\$ 57,708
Franchise	2,676,992	2,676,992	2,624,822	(52,170)
Utility service	4,816,469	4,463,699	4,446,105	(17,594)
Licenses and permits	907,823	929,063	941,721	12,658
Intergovernmental	3,252,694	3,318,715	3,435,356	116,641
Charges for services	5,298,370	5,298,370	5,237,226	(61,144)
Fines	212,692	212,692	378,643	165,951
Investment earnings	48,000	48,000	6,509	(41,491)
Rents	281,661	275,661	290,094	14,433
Contributions and donations	60,450	76,450	70,001	(6,449)
Other revenue	140,000	147,452	210,890	63,438
Total revenues	<u>23,814,124</u>	<u>23,566,067</u>	<u>23,818,048</u>	<u>251,981</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
City commission	190,335	189,536	191,540	(2,004)
City manager	600,713	607,235	602,341	4,894
Legal	170,000	152,500	162,214	(9,714)
City clerk	381,191	400,952	391,811	9,021
Finance	1,339,928	1,305,236	1,256,104	49,132
Administration	488,062	480,444	454,727	25,717
Planning and Development	1,265,579	1,245,685	1,251,791	(6,106)
Total general government	<u>4,435,808</u>	<u>4,381,588</u>	<u>4,310,528</u>	<u>70,940</u>
Public safety:				
Law enforcement	4,027,132	4,032,467	4,036,085	(3,618)
Fire control	6,023,599	6,150,674	6,139,459	11,215
Total public safety	<u>10,050,731</u>	<u>10,183,141</u>	<u>10,175,544</u>	<u>7,597</u>
Transportation:				
Streets / Traffic	1,650,803	1,588,500	1,610,282	(21,782)
Total transportation	<u>1,650,803</u>	<u>1,588,500</u>	<u>1,610,282</u>	<u>(21,782)</u>
Culture and recreation:				
Library	1,508,845	1,699,910	1,686,364	13,546
Parks and Recreation administration	520,428	524,694	526,536	(1,842)
Recreation	2,937,301	3,045,870	3,005,629	40,241
Parks	2,160,956	2,193,403	2,126,861	66,542
Dunedin Historical Society	36,947	36,488	36,488	-
Dunedin Fine Arts Center	123,350	118,811	118,811	-
Total culture and recreation current	<u>7,287,827</u>	<u>7,619,176</u>	<u>7,500,689</u>	<u>118,487</u>
Capital Outlay				
General Government	76,145	105,705	95,714	9,991
Public Safety	65,500	123,535	101,826	21,709
Transportation	-	21,263	21,588	(325)
Culture and Recreation	972,352	839,685	617,701	221,984
Total Capital Outlay	<u>1,113,997</u>	<u>1,090,188</u>	<u>836,829</u>	<u>253,359</u>
Aids and grants	254,722	286,558	256,405	30,153
Total expenditures	<u>24,793,888</u>	<u>25,149,151</u>	<u>24,690,277</u>	<u>458,874</u>
Excess of revenues over (under) expenditures	<u>(979,764)</u>	<u>(1,583,084)</u>	<u>(872,229)</u>	<u>710,855</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of general capital assets	2,500	12,272	25,817	13,545
Transfers in	1,359,900	2,643,891	1,415,444	(1,228,447)
Transfers out	(523,652)	(1,491,124)	(298,000)	1,193,124
Total other financing uses	<u>838,748</u>	<u>1,165,039</u>	<u>1,143,261</u>	<u>(21,778)</u>
Net change in fund balances	(141,016)	(418,045)	271,032	689,077
Fund balances - beginning	<u>4,612,275</u>	<u>6,248,497</u>	<u>3,809,624</u>	<u>(2,438,873)</u>
Fund balances - ending	<u>\$ 4,471,259</u>	<u>\$ 5,830,452</u>	<u>\$ 4,080,656</u>	<u>\$ (1,749,796)</u>

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
One Cent Sales Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
<u>REVENUES</u>				
Intergovernmental revenues:	\$ 2,800,000	\$ 2,800,000	\$ 3,192,877	\$ 392,877
Grant Revenues	-	380,500	339,688	(40,812)
Miscellaneous revenues:				
Investment earnings	4,865	4,865	3,733	(1,132)
Total revenues	<u>2,804,865</u>	<u>3,185,365</u>	<u>3,536,298</u>	<u>350,933</u>
<u>EXPENDITURES</u>				
Capital Outlay:				
General government	-	934,438	569,112	365,326
Transportation	731,000	627,123	393,666	233,457
Economic environment	-	196,492	194,037	2,455
Culture and recreation	-	-	7,254	(7,254)
Debt service:				
Principal	510,928	450,000	450,000	-
Interest	320,381	303,066	285,583	17,483
Total expenditures	<u>1,562,309</u>	<u>2,511,119</u>	<u>1,899,652</u>	<u>611,467</u>
Excess of revenues over expenditures	<u>1,242,556</u>	<u>674,246</u>	<u>1,636,646</u>	<u>962,400</u>
<u>OTHER FINANCING SOURCES / (USES)</u>				
Transfers in	14,813	-	-	-
Transfers out	<u>(1,257,635)</u>	<u>(1,338,135)</u>	<u>(1,338,135)</u>	<u>-</u>
Total other financing uses	<u>(1,242,822)</u>	<u>(1,338,135)</u>	<u>(1,338,135)</u>	<u>-</u>
Net change in fund balances	(266)	(663,889)	298,511	962,400
Fund balances - beginning	<u>911,263</u>	<u>525,325</u>	<u>2,250,899</u>	<u>1,725,574</u>
Fund balances - ending	<u>\$ 910,997</u>	<u>\$ (138,564)</u>	<u>\$ 2,549,410</u>	<u>\$ 2,687,974</u>

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
<u>REVENUES</u>				
Intergovernmental revenues:				
Property Taxes	\$ 388,555	\$ 388,555	\$ 392,392	\$ 3,837
Miscellaneous revenues:				
Investment earnings	2,849	2,849	589	(2,260)
Rents	-	-	33,275	33,275
Other revenue	58,334	58,334	8,941	(49,393)
Total revenues	<u>449,738</u>	<u>449,738</u>	<u>435,197</u>	<u>(14,541)</u>
<u>EXPENDITURES</u>				
Current:				
Economic environment	439,387	480,887	448,045	32,842
Capital Outlay:				
Economic environment	213,750	283,158	38,786	244,372
Aids and Grants	40,000	51,605	31,067	20,538
Total expenditures	<u>693,137</u>	<u>815,650</u>	<u>517,898</u>	<u>297,752</u>
Excess of revenues over expenditures	<u>(243,399)</u>	<u>(365,912)</u>	<u>(82,701)</u>	<u>283,211</u>
<u>OTHER FINANCING SOURCES / (USES)</u>				
Transfers in	96,000	96,000	96,000	-
Transfers out	(34,900)	(34,900)	(34,900)	-
Total other financing uses	<u>61,100</u>	<u>61,100</u>	<u>61,100</u>	<u>-</u>
Net change in fund balances	(182,299)	(304,812)	(21,601)	283,211
Fund balances - beginning	<u>37,260</u>	<u>(730,440)</u>	<u>481,172</u>	<u>1,211,612</u>
Fund balances - ending	<u>\$ (145,039)</u>	<u>\$ (1,035,252)</u>	<u>\$ 459,571</u>	<u>\$ 1,494,823</u>

The notes to the financial statements are an integral part of this statement.



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City of Dunedin, Florida
Statement of Net Position
Proprietary Funds
September 30, 2014

	Business-type Activities - Enterprise Funds						Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total	Internal Service Funds
ASSETS							
Current assets:							
Cash, cash equivalents, and investments	\$ 387,586	\$ 12,311,346	\$ 1,600,246	\$ 1,088,257	\$ -	\$ 15,387,435	\$ 7,551,339
Restricted cash-customer deposits	113,107	1,266,179	-	57,657	-	1,436,943	-
Restricted cash-impact fees	-	1,184,262	-	-	-	1,184,262	-
Receivables-net of allowance for uncollectibles	649,086	1,900,152	300,867	4,081	-	2,854,186	11,462
Interest Receivable	387	11,825	1,371	922	-	14,505	6,051
Charges receivable-capital recovery	-	272,994	-	-	-	272,994	-
Due from other governments	-	105,575	267,494	-	-	373,069	-
Inventories	-	580,517	-	-	-	580,517	97,965
Prepaid items	-	3,175	-	-	-	3,175	26,540
Deposits	-	-	-	-	-	-	99,960
Total current assets	1,150,166	17,636,025	2,169,978	1,150,917	-	22,107,086	7,793,317
Noncurrent assets:							
Charges receivable-capital recovery	-	2,118,810	-	-	-	2,118,810	-
Unamortized Bond Issue Costs	-	74,177	6,104	-	-	80,281	-
Land	-	305,364	250,000	-	-	555,364	-
Buildings	333,053	15,878,895	-	90,599	-	16,302,547	6,139,707
Improvements other than buildings	47,346	102,416,236	23,076,458	2,850,859	-	128,390,899	4,744
Machinery and equipment	849,830	1,884,983	516,834	7,591	-	3,259,238	13,760,843
Construction in progress	-	-	2,923,946	14,380	-	2,938,326	-
Less accumulated depreciation	(989,899)	(84,124,450)	(6,792,520)	(2,028,696)	-	(93,935,565)	(11,172,009)
Total capital assets, net	240,330	36,361,028	19,974,718	934,733	-	57,510,809	8,733,285
Total noncurrent assets	240,330	38,554,015	19,980,822	934,733	-	59,709,900	8,733,285
Total assets	1,390,496	56,190,040	22,150,800	2,085,650	-	81,816,986	16,526,602

City of Dunedin, Florida
Statement of Net Position
Proprietary Funds
September 30, 2014
(continued)

	Business-type Activities - Enterprise Funds						Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total	Internal Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 183,660	\$ 368,098	\$ 282,924	\$ 8,350	\$ -	\$ 843,032	\$ 486,557
Accrued liabilities	-	-	-	2,820	-	2,820	-
Contracts payable	-	91,954	319,918	10,888	-	422,760	32,132
Accrued salaries payable	63,429	192,823	23,682	5,992	-	285,926	46,237
Compensated absences	-	44,465	-	-	-	44,465	74,008
Accrued interest payable	-	295,020	111,036	-	-	406,056	10,593
Customer deposits payable-restricted assets	113,107	1,266,179	-	57,657	-	1,436,943	-
Bonds payable	-	887,001	299,998	-	-	1,186,999	74,000
Capital leases payable	-	-	-	-	-	-	310,828
Claims liabilities	-	-	-	-	-	-	85,170
Total current liabilities	<u>360,196</u>	<u>3,145,540</u>	<u>1,037,558</u>	<u>85,707</u>	<u>-</u>	<u>4,629,001</u>	<u>1,119,525</u>
Noncurrent liabilities:							
Bonds payable	-	15,989,844	6,799,931	-	-	22,789,775	1,206,000
Capital leases payable	-	-	-	-	-	-	104,349
Compensated absences	172,049	689,677	62,622	9,896	-	934,244	183,550
OPEB liability	25,710	117,072	13,579	3,602	-	159,963	28,676
Claims liabilities	-	-	-	-	-	-	436,474
Total noncurrent liabilities	<u>197,759</u>	<u>16,796,593</u>	<u>6,876,132</u>	<u>13,498</u>	<u>-</u>	<u>23,883,982</u>	<u>1,959,049</u>
Total liabilities	<u>557,955</u>	<u>19,942,133</u>	<u>7,913,690</u>	<u>99,205</u>	<u>-</u>	<u>28,512,983</u>	<u>3,078,574</u>
NET POSITION							
Net investment in capital assets	240,330	19,484,183	12,874,789	934,733	-	33,534,035	7,038,108
Restricted for capital projects	-	1,184,262	-	-	-	1,184,262	-
Unrestricted	592,211	15,579,462	1,362,321	1,051,712	-	18,585,706	6,409,920
Total net position	<u>\$ 832,541</u>	<u>\$ 36,247,907</u>	<u>\$ 14,237,110</u>	<u>\$ 1,986,445</u>	<u>\$ -</u>	<u>53,304,003</u>	<u>\$ 13,448,028</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						3,178,754	
Net position of business-type activities (page 32)						<u>\$ 56,482,757</u>	

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds						Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total	Internal Service Funds
Operating revenues:							
Charges for services	\$ 4,746,966	\$ 15,062,556	\$ 2,956,186	\$ 479,252	\$ -	\$ 23,244,960	\$ 9,891,705
Other operating revenue	28,237	191,318	240	76,821	-	296,616	113,098
Total operating revenues	4,775,203	15,253,874	2,956,426	556,073	-	23,541,576	10,004,803
Operating expenses:							
Personal services	1,356,719	5,565,995	781,630	177,599	-	7,881,943	1,518,353
Supplies and services	3,747,571	5,682,569	661,426	118,203	-	10,209,769	7,174,377
Depreciation	39,733	3,918,328	1,134,540	56,016	-	5,148,617	1,241,095
Total operating expenses	5,144,023	15,166,892	2,577,596	351,818	-	23,240,329	9,933,825
Operating income (loss)	(368,820)	86,982	378,830	204,255	-	301,247	70,978
Nonoperating revenues (expenses):							
Investment earnings	1,382	111,121	7,702	1,466	-	121,671	7,119
Interest/amortization expense	-	(765,024)	(318,653)	-	-	(1,083,677)	(71,310)
Gain (loss) on disposal of capital assets	(3,910)	(120,321)	(140,682)	-	(1,228,446)	(1,493,359)	(3,887)
Total nonoperating revenues (expenses)	(2,528)	(774,224)	(451,633)	1,466	(1,228,446)	(2,455,365)	(68,078)
Income before contributions and transfers	(371,348)	(687,242)	(72,803)	205,721	(1,228,446)	(2,154,118)	2,900
Capital contributions	27,214	34,703	1,313,100	-	-	1,375,017	-
Transfers in	520,000	-	-	30,500	-	550,500	500,000
Transfers out	(33,668)	(634,848)	(15,848)	-	(7,678)	(692,042)	(1,233,263)
Change in net position	142,198	(1,287,387)	1,224,449	236,221	(1,236,124)	(920,643)	(730,363)
Net position - beginning	690,343	37,535,294	13,012,661	1,750,224	1,236,124		14,178,391
Net position - ending	\$ 832,541	\$ 36,247,907	\$ 14,237,110	\$ 1,986,445	\$ -		\$ 13,448,028
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.						6,063	
Changes in net position of business-type activities (page 33)						\$ (914,580)	

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds						Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 4,758,606	\$ 15,243,427	\$ 2,737,987	\$ 481,307	\$ 8	\$ 23,221,335	\$ 9,891,131
Payments to suppliers	(3,702,739)	(6,107,288)	(505,320)	(185,817)	150	(10,501,014)	(7,334,209)
Payments to employees	(1,407,518)	(5,672,132)	(798,827)	(176,094)	-	(8,054,571)	(1,490,865)
Other operating revenues	28,237	191,318	240	76,821	1	296,617	113,098
Net cash provided by (used in) operating activities	(323,414)	3,655,325	1,434,080	196,217	159	4,962,367	1,179,155
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in	520,000	-	-	30,500	-	550,500	500,000
Transfers out	(33,668)	(634,848)	(15,848)	-	(7,678)	(692,042)	(1,233,263)
Due from other funds	-	1,262,000	-	-	-	1,262,000	613,784
Net cash provided by (used in) noncapital financing activities	486,332	627,152	(15,848)	30,500	(7,678)	1,120,458	(119,479)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase of capital assets	(67,932)	(1,786,798)	(3,559,457)	(405,587)	-	(5,819,774)	(2,680,343)
Proceeds of capital debt	-	-	-	-	-	-	1,280,000
Principal paid on capital debt	-	(1,356,048)	(227,064)	-	-	(1,583,112)	(302,084)
Interest paid on capital debt	-	(617,779)	(226,578)	-	-	(844,357)	(79,324)
Proceeds from sale of capital assets	-	18,258	-	-	-	18,258	30,715
Proceeds from capital contributions	27,214	329,097	1,313,100	-	-	1,669,411	-
Capital contributions from other funds	-	-	-	-	-	-	(1,262,000)
Net cash provided by (used in) capital and related financing activities	(40,718)	(3,413,270)	(2,699,999)	(405,587)	-	(6,559,574)	(3,013,036)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment earnings received	1,321	116,911	9,780	2,211	-	130,223	13,348
Net cash provided by (used in) investing activities	1,321	116,911	9,780	2,211	-	130,223	13,348
Net increase (decrease) in cash and cash equivalents	123,521	986,118	(1,271,987)	(176,659)	(7,519)	(346,526)	(1,940,012)
Cash and cash equivalents - October 1	377,172	13,775,669	2,872,233	1,322,573	7,519	18,355,166	9,491,351
Cash and cash equivalents - September 30	\$ 500,693	\$ 14,761,787	\$ 1,600,246	\$ 1,145,914	\$ -	\$ 18,008,640	\$ 7,551,339
CLASSIFIED AS:							
Cash and cash equivalents	\$ 387,586	\$ 12,311,346	\$ 1,600,246	\$ 1,088,257	\$ -	\$ 15,387,435	\$ 7,551,339
Restricted cash and cash equivalents	113,107	2,450,441	-	57,657	-	2,621,205	-
Total cash and cash equivalents	\$ 500,693	\$ 14,761,787	\$ 1,600,246	\$ 1,145,914	\$ -	\$ 18,008,640	\$ 7,551,339

City of Dunedin, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2014
(continued)

	Business-type Activities - Enterprise Funds						Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ (368,820)	\$ 86,982	\$ 378,830	\$ 204,255	\$ -	\$ 301,247	\$ 70,978
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	39,733	3,918,328	1,134,540	56,016	-	5,148,617	1,241,095
(Increase) decrease in:							
Accounts receivable	2,549	170,484	49,295	5,235	9	227,572	(1,968)
Inventories	-	53,192	-	-	-	53,192	26,619
Due from other governments	-	-	(267,494)	-	-	(267,494)	-
Prepaid items	-	(3,154)	59	-	150	(2,945)	(26,018)
Increase (decrease) in :							
Accounts payable	44,832	(474,757)	156,047	(67,614)	-	(341,492)	(215,886)
Accrued expenses	11,703	(26,337)	(2,036)	741	-	(15,929)	(13,938)
Increase in other liabilities	-	-	-	764	-	764	-
Deposits	9,091	10,387	-	(3,180)	-	16,298	(7,189)
Claims liabilities	-	-	-	-	-	-	68,246
Compensated absences / OPEB	(62,502)	(79,800)	(15,161)	-	-	(157,463)	37,216
Total adjustments	45,406	3,568,343	1,055,250	(8,038)	159	4,661,120	1,108,177
Net cash provided by (used in) operating activities	\$ (323,414)	\$ 3,655,325	\$ 1,434,080	\$ 196,217	\$ 159	\$ 4,962,367	\$ 1,179,155

The notes to the financial statements are an integral part of this statement.

Fiduciary Funds

Fiduciary Funds are used to account for resources that are managed in a trustee capacity or as an agent for other parties or funds.

Pension Trust

To account for the accumulation of resources to be used for the retirement annuities of all firefighters, the City contributes and amount by an annual actuarial study.

**City of Dunedin, Florida
Statement of Net Position
Fiduciary Fund
September 30, 2014**

	<u>Municipal Firefighters Pension Trust Fund</u>
ASSETS	
Investments	
U.S. government obligations	\$ 1,387,844
U.S. government agencies	1,038,383
Corporate equities	15,417,803
Temporary investment funds	608,317
Real estate investment funds	2,422,421
Corporate obligations	3,329,894
Due from other governments	50,094
Prepaid items	729
Interest receivable	42,974
Total assets	<u>24,298,459</u>
LIABILITIES	
Accounts payable	<u>29,771</u>
Total liabilities	<u>29,771</u>
NET POSITION	
Held in trust for pension benefits	<u><u>\$ 24,268,688</u></u>

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Statement of Changes in Net Position
Fiduciary Fund
For the Fiscal Year Ended September 30, 2014

	Municipal Firefighters Pension Trust Fund
ADDITIONS:	
Contributions	
Employer	\$ 510,314
Plan members	241,268
Excise tax rebate (state of Florida)	322,029
Total contributions	<u>1,073,611</u>
Investment earnings	
Net appreciation in fair value of investments	1,693,027
Interest	160,917
Dividends	208,456
Total investment earnings	<u>2,062,400</u>
Less investment expenses	<u>(137,200)</u>
Net investment earnings	<u>1,925,200</u>
Miscellaneous revenue	<u>5,723</u>
Total additions	<u>3,004,534</u>
DEDUCTIONS:	
Benefits	1,083,306
Refunds	-
Administrative expenses	46,515
Total deductions	<u>1,129,821</u>
Change in net position	1,874,713
Net position - beginning	<u>22,393,975</u>
Net position - ending	<u><u>\$ 24,268,688</u></u>

The notes to the financial statements are an integral part of this statement.

DUNEDIN

Home of Honeymoon Island

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CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Dunedin, Florida (the "City"), which was founded on June 1, 1899, and incorporated under Chapter 4877, Acts of 1899 of the State of Florida, has a population of approximately 35,700 (which includes seasonal residents) living within an area approximating 10 square miles. The City is contiguous to the northern side of Clearwater, Florida. The City operates under a Charter originally adopted January 6, 1926, and a Commission-Manager form of government. The most recent revision to the City's Charter was on November 6, 2012.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

A. REPORTING ENTITY

The City is a Florida municipal corporation with a five member City Commission comprised of the Mayor (elected at large) and four commissioners. In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable and, as such, may be included within the City's Financial Statements. In accordance with GASB Statement No. 61 the City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board, and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the foregoing criteria, the Community Redevelopment Agency has been included in the City's financial statements in a blended presentation. The City Commission serves as the CRA Board. Although legally separate, the CRA is blended as a special revenue fund type component unit into the primary government.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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

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

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

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

Property taxes, franchise taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The City reports the following major funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial sources of the general government, except those required to be accounted for in another fund.
- The *One Cent Sales Tax Fund* is a capital projects fund and accounts for the costs of infrastructure having a life expectancy of five (5) or more years and is funded by proceeds from the one-cent sales surtax approved by Pinellas County, Florida voters.
- The *Community Redevelopment Agency Fund* is a special revenue fund to account for the receipt, custody and expenditure of property tax increment funds associated with related redevelopment projects.
- The *Solid Waste Fund* is an enterprise fund and accounts for the provision of solid waste services to the residents of the City and some County residents. All activities necessary to the provisions of this service are accounted for in this fund.
- The *Water/Sewer Utility Fund* is an enterprise fund and accounts for the provision of water and sewer services to residents of the City, and some County residents. All activities necessary for the provision of these services are accounted for in this fund.
- The *Stormwater Utility Fund* is an enterprise fund and accounts for the provision of services for the collection, storage, treatment and conveyance of stormwater for the benefit of all developed property within the City.
- The *Marina Fund* is an enterprise fund and accounts for the financing, operation and maintenance of the City marina and the associated real property.
- The *Golf Course Fund* has been maintained by the City as an enterprise fund in prior years. In the current fiscal year, activity for this operation has been moved to the general fund.

Additionally, the City reports the following fund types:

- The *Internal Service Funds* account for building maintenance, vehicle maintenance and self-insurance (risk management for property and casualty and health) provided to other departments of the City on a cost reimbursement basis.
- The *Pension Trust Fund* is a fiduciary fund and accounts for the activities of the Firefighters' Retirement Plan, which accumulates resources for pension benefit payments to firefighters.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

As a general rule the effect of the interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the solid waste, water/sewer utility, stormwater utility, marina, and golf course enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition, such as water/sewer utility fund impact fees, are reported as non-operating revenues and expenses.

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

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Deposits and investments

The City considers cash on hand and demand deposits with an original maturity of 90 days or less to be cash and cash equivalents. In addition, each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be withdrawn from the pool at any time without prior notice or penalty.

State statutes and local law authorize the City to invest in direct obligations of the U.S., Federally-supported Agencies and Instrumentalities, Florida government investment pools, commercial paper, repurchase agreements, debt of Florida political subdivisions, money market mutual funds, time deposits, savings accounts, mutual funds and bankers acceptances.

The City's investments are reported at fair value. The Florida State Board of Administration (SBA) Local Government Pool Florida PRIME has met the criteria to be considered a "2A-7 like" investment pool as defined by GASB Statement No. 31. Therefore, amortized cost may be used for valuation. The fair value of the City's investment in this pool is determined by the pool's share price (account balance).

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

2. Receivables and Payables

Activity between funds that is representative of short-term lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds". All other outstanding balances between funds not expected to be repaid within the availability period are reported as advances. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Long-term advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account categorized as nonspendable in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts receivable are recorded in the General, Special Revenue, Capital Projects, Enterprise, and Internal Service funds. Where appropriate, an associated allowance for doubtful accounts has been established.

Utility (water/sewer and stormwater), solid waste and marina operating revenues are generally recognized on the basis of monthly cycle billings. The City records utility operating revenues and receivables for services delivered during the current fiscal year which will be billed during the next fiscal year.

3. Property Taxes

All real and tangible personal property taxes are due and payable on November 1 of each year, or as soon thereafter as the assessment roll is certified by the County Property Appraiser. The County mails to each property owner on the assessment roll a notice of tax levy by the various governmental entities in the County.

Taxes may be paid upon receipt of such notice with discounts at the rate of 4% if paid in November, 3% if paid in December, 2% if paid in January and 1% if paid in February. Taxes paid during the month of March are without discount. All unpaid taxes on real and tangible personal property become delinquent on April 1 of the year following the year in which the taxes were assessed.

On or before April 25 of each year, a list of delinquent personal property tax payers is advertised. Warrants are issued directing seizure and sale of the personal property of the taxpayer if the delinquent taxes are not paid before May. 1. On or before June 1 of the following year in which taxes are assessed, liens are filed and tax certificates are sold on all real estate parcels with outstanding taxes. These parcels are advertised once a week for four weeks prior to the tax certificate sale. As a result of the process, the City's delinquent or uncollected property taxes at year-end are not collectible. Uncollected property taxes at year-end are not considered likely to be collected. Therefore, the City recognizes an allowance against the entire outstanding delinquent property tax balance.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation (exclusive of taxes levied for the payment of bonds). The millage rate levied by the City for the fiscal year ended September 30, 2014, was 3.7345.

4. Inventories

All City inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Inventories held by the General Fund consist principally of general office, printing, traffic control and maintenance supplies. Inventories included in the Utility Fund consist of parts held for repair and maintenance of the system. Inventories included in the Internal Service Funds consist of maintenance parts, tires, fuels and supplies. Inventories are stated at average or weighted average cost. Appropriate allowances have been recorded for obsolete and surplus items.

5. Prepaid Items

Payments made to vendors for services that will benefit subsequent fiscal years are recorded as prepaid items. The cost of these items are recorded as expenditures when consumed rather than when purchased. Prepaid items are equally offset by a fund balance reserve categorized as non-spendable, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	50
Infrastructure	50
Building Improvements	20
Improvements other than Buildings	20-40
Machinery and Equipment	5-10

7. Accumulated Unused Compensated Absences

The City records the "vested portion of accumulated unused compensated absences" at the end of each fiscal year, based on each employee's accumulated unused hours and rate of pay. The accumulated unused portion as of September 30 is treated as both a short-term and long-term liability.

It is the City's policy in its Proprietary Funds to reflect on an accrual basis the amounts of earned but unused vacation leave and that portion of earned but unused sick leave estimated to be payable upon retirement.

8. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable, governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, issuance costs, and any losses on the refunding of any bond issuances (gain or loss on defeasance), are amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Loss on defeasance is the difference between the reacquisition price of the refunded debt and the net carrying amount at the time of the refunding. Bonds payable are reported net of the applicable unamortized bond premium or discount or deferred loss on refunding.

9. Postemployment Health and Life Insurance Benefits

The City makes available healthcare insurance for eligible retirees through the City's group health insurance plan, which covers both active and retired members. Retirees pay the full cost of healthcare insurance, which is a single, blended premium rate that is used for both active employees and retired members. The City follows the provisions of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" by recognizing annual Other Postemployment Benefits (OPEB) expense and related obligations.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

10. Restricted Assets

A portion of assets are restricted due to constraints that are either 1) externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. Cash and cash equivalents held as customer deposits, impact fee revenue or other deposits are shown as restricted.

11. Unearned Revenue

License fees and recreation receipts are unearned because the revenue has been received, but not earned. These payments are received in advance of the services provided. The unearned revenue will be recognized as revenue in the fiscal year it is deemed earned or in the year that it becomes available.

12. Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City has established limitations on the use of resources through commitments (committed fund balance) or assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the City's Commission, via resolution and must be removed in the same fashion.

Amounts in assigned fund balance are also intended to be used for specific purposes but do not meet the criteria to be classified as committed. The Commission has by resolution authorized the City Manager or Finance Director to assign fund balance.

13. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Project Funds. Since they do not constitute expenditures or liabilities, encumbrances outstanding at year end are reported as restricted, committed, or assigned fund balances, depending on the nature of each encumbrance.

14. Net Position

Net position reported in the government-wide and proprietary fund financial statements is categorized as net investment in capital assets, restricted or unrestricted. The first category represents net position related to net investment in capital assets. Restricted net

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

position presents net position restricted for Capital projects, Debt service, Housing services, Law enforcement, Community redevelopment and other externally imposed constraints or imposed by law through constitutional provisions or enabling legislation.

E. REVENUES, EXPENDITURES AND EXPENSES

1. Operating Subsidies, Grants, and Impact Fees

Grants to proprietary funds used for construction or to finance current operations are recorded as contributions or non-operating revenue, respectively, when earned.

Impact fees represent a capacity charge for the proportionate share of the cost of expanding, oversizing, separating or constructing new additions to the Utility System. The City is obligated to expend these funds only to provide expanded capacity to the system. Water and sewer impact fee revenues are classified as contributions.

2. Interfund Transactions

Interfund sales and purchases are accounted for as fund revenues, expenditures or expenses (as appropriate). Transactions which constitute reimbursements to a fund for expenditures (expenses) initially made are recorded as expenditures or expenses (as appropriate) in the reimbursing fund, and as reductions of the expenditures (expenses) in the reimbursed fund. All interfund transactions except loans, reimbursements and interfund sales and purchases are accounted for as transfers or contributions.

3. Administrative Charges

Certain administrative expenses are incurred by the General Fund on behalf of the other funds. In addition, some administrative charges are incurred by the Water/Sewer Utility Fund for services rendered that benefit other funds. Both the General Fund and the Water/Sewer Utility Fund receive payment for these services based on a percentage allocation in accordance with budgeted appropriations. These administrative reimbursements for the year ended September 30, 2014, are presented on the next page.

Reimbursements to the General Fund were charged to the following funds:

<u>Fund</u>	<u>Amount</u>
Solid Waste	\$ 359,517
Water/ Sewer Utility	1,070,934
Marina	36,917
Stormwater	128,885
Total	<u>\$ 1,596,253</u>

Reimbursements to the Water/Sewer Utility Fund were charged to the following funds:

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Fund	Amount
Solid Waste	\$ 153,397
Stormwater	40,693
Total	<u>\$ 194,090</u>

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between *total fund balance - governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Accrued Interest Payable	\$ 154,667
Revenue Bonds Payable	10,365,322
Compensated Absences	1,386,897
Net OPEB Obligation	<u>265,228</u>
Net adjustment to reduce <i>total fund balance - governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 12,172,114</u>

NOTE III – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City's budget policy is summarized as follows:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year-end.
2. The City Manager submits to the City Commission a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is approved by the City Commission through the passage of a resolution. The level on which expenditures/expenses may not legally exceed appropriations is at the fund level.

**CITY OF DUNEDIN, FLORIDA
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5. The appropriated budget is prepared by fund, function and department. The City Manager is authorized to transfer budgeted amounts between departments, and make budget transfers affecting personnel, provided these changes have a zero net effect on the City's budget. All increases and decreases in fund balance, personnel budget changes, and transfers between funds, must have City Commission approval.

NOTE IV – DETAIL NOTES - ALL FUNDS

A. ASSETS

1. Cash and Cash Equivalents and Investments

The City of Dunedin maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reported in "Cash and Cash Equivalents." Interest earned by this pool is distributed to each fund based on year-end balances.

The City's investment policy and guidelines are defined by City ordinance. The written investment policy was revised, by City Commission approval, on February 18, 2010. The policy specifies limits by instrument and institution (within instrument) and establishes a diversified investment strategy, minimum credit quality and authorized institutions available as counterparties. In addition to authorizing investment instruments, the City's policy also identifies various portfolio parameters addressing issuer diversification, term-to-maturity and liquidity. Implementation and direction, within policy limits, is managed by the Director of Finance, with City Manager approval required for all transactions.

The investment policy of the City of Dunedin Municipal Firefighters Pension Trust Fund was created by, and is periodically amended by, the pension board.

a. Custodial Credit Risk – Cash and Investments

Custodial credit risk is defined as the risk that a government will not be able to recover deposits or the value of its investments in the event of a failure of a depository financial institution or a third party holding the investment securities.

The City's investment policy requires that time deposits, demand deposits, savings accounts and non-negotiable certificates of deposit must be held by institutions organized under the laws of Florida and/or in national banks organized under the laws of the United States and doing business and situated in Florida as qualified public depositories, ensuring that any such deposits are secured and collateralized according to the Florida Security for Public Deposits Act (Chapter 280 of the Florida Statutes). In addition, the policy requires all investment securities to be held by a third party custodian in the name of the City.

Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a "delivery vs. payment" basis to

CITY OF DUNEDIN, FLORIDA
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ensure that the custodian will have the security or money, as appropriate, in hand at the conclusions of the transaction.

As of September 30, 2014, the bank balance of the City's deposits was \$5,167,661. The bank balance is insured by federal depository insurance and, for the amount in excess of such federal depository insurance, is collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the government entity for the loss.

The investment policy of the City of Dunedin Municipal Firefighters Pension Trust Fund (the Firefighters Pension Plan) requires all securities to be held by a third party custodian in the name of the Firefighters Pension Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

Regions Morgan Keegan Trust (Regions) periodically holds uninvested cash in its capacity as custodian for the Firefighters Pension Plan. These funds exist temporarily as cash in the process of collection from the sale of securities. As of September 30, 2014, the Firefighters Pension Plan's investments are managed under separate investment agreements with Rockwood Capital Advisors, LLC and Harding Loevner LP. These agreements give Regions the custodianship, but gives Rockwood Capital Advisors, LLC and Harding Loevner LP the authority to manage the investments. All securities held by Regions are in the name of the Firefighters Pension Plan.

b. Credit Risk

Credit risk is the risk resulting from potential default of investments that are not financially sound. The City's investment policy limits credit risk by restricting authorized investments to include only the following types, along with the following minimum credit rating, where applicable:

- U.S. Treasury and Agency Securities
- Government Sponsored Enterprises (AAA/Aaa)
- Local Government Investment Pools (AAAm or equivalent)
- The State Board of Administration (SBA) or Florida PRIME (AAAm or equivalent)
- General or Revenue Debt Obligations of State and Local Governments (AAA/Aaa)
- Money Market Mutual Funds (AAAm)
- Bank Deposits / Certificates of Deposit
- Corporate Debt Instruments and Commercial Paper (AA-/Aa3)
- Repurchase Agreements (A1+/P1/F1+)

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The City's cash and cash equivalents and investments consisted of the following as of September 30, 2014:

Investment Type	Fair Value	Standard & Poor's Rating	Percentage of Total	Weighted Average Duration (In Years)
Savings Deposit Account	\$ 9,019,127		27.08%	
Florida SAFE	9,890,361	AAAm	29.70%	0.20
US Government Agencies	4,990,330	AA+	14.98%	
SBA - Florida PRIME	1,232,449	AAAm	3.70%	0.10
Certificate of Deposits	3,000,000		9.01%	
Cash in bank	5,167,661		15.52%	
Petty cash	3,940		0.01%	
Total Cash and Investments	<u>\$ 33,303,868</u>			

Florida PRIME operates as a '2a-7 like' fund.

Florida SAFE is a surplus asset trust fund, which was developed by and for Florida local governments. Florida SAFE adheres to the requirement to maintain a net asset value of \$1.00 per share or higher. Florida SAFE invests its proceeds in U.S. Government Agencies and Commercial Paper.

The Firefighters Pension Plan's investment guidelines limit its fixed income investments to a credit quality rating of "A" or equivalent as rated by Moody's or by Standard & Poor's bond rating services at the time of purchase. Fixed income investments which are downgraded below the minimum rating must be liquidated at the earliest beneficial opportunity.

The Firefighters Pension Plan's investment guidelines limit its fixed income investments to a credit quality rating of "A" or equivalent as rated by Moody's or by Standard & Poor's bond rating services at the time of purchase. Fixed income investments which are downgraded below the minimum rating must be liquidated at the earliest beneficial opportunity.

Investments held by the Firefighters Pension Plan are summarized as follows:

Investment Type	Fair Value	Standard & Poor's Rating	Percentage of Total	Effective Duration (In Years)
U.S. Government Obligations	\$ 1,387,844	AA	5.73%	6.2
U.S. Government Agencies	1,038,383	AA	4.29%	5.7
Corporate Obligations	3,329,894	BAA-A	13.76%	7.2
Domestic Stocks	12,787,376		52.83%	
International Stocks	2,630,427		10.87%	
Real Estate Investment Fund	2,422,421		10.01%	
Temporary Investment Funds	608,317	AAA	2.51%	Daily
Total Pension Funds	<u>\$ 24,204,662</u>			

CITY OF DUNEDIN, FLORIDA
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c. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the quantity of investment in a single issuer. To limit this risk, the City's investment policy requires diversification of the portfolio with maximum limits on what can be invested per investment type. In addition to a maximum level of investment in aggregate by security type, no more than 25% of the City's investment portfolio may be invested in a single issuer. The maximum concentration limits per investment type allowed by the City's investment policy are as follows:

- U.S. Treasury and Agency Securities – 95%
- Government Sponsored Enterprises – 50%
- Local Government Investment Pools – 50%
- The State Board of Administration (SBA) or Florida PRIME – 5%
- General or Revenue Debt Obligations of State and Local Governments – 10%
- Money Market Mutual Funds – 25%
- Certificates of Deposit – 40%
- Corporate Debt Instruments and Commercial Paper – 10%
- Repurchase Agreements – 10%

The Firefighters Pension Plan's policy limits investments in foreign fixed income or equity securities to 25% of the total portfolio. In addition, not more than 5% of the portfolio may be invested in common stock of any one issuing company. The Firefighters Pension Plan had no investments that individually represented 5% or more of the Plan's net assets available for benefits as of September 30, 2014.

d. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer time to maturity equates to greater exposure to interest rate risk. The City manages its exposure to fair value losses arising from increasing rates through its adopted investment policy. The City's policy limits its fixed portfolio's weighted average maturity to 3 years and the duration of the overall portfolio to 5 years. All of the City's fixed income investments had a weighted average maturity of less than one year.

The Firefighters Pension Plan's investment policy limits the effective duration of its fixed income portfolios through the adoption of the Barclays Capital Aggregate Bond Index benchmark. The U.S. Government obligations had an effective duration of 6.2 years; the U.S. Government agencies had an effective duration of 5.7 years, and corporate obligations had an effective duration of 7.2 years.

CITY OF DUNEDIN, FLORIDA
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2. Receivables

Receivables as of the fiscal year ended September 30, 2014, for the City's major governmental and enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	One Cent Sales Tax Fund	Community Redevelopment Agency	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Total
Receivables:								
Accounts Billed	\$ 788,743		\$ 2,000	\$ 202,799	\$ 591,302	\$ 123,304	\$ 7,860	\$ 1,716,008
Accounts Unbilled	-	-	-	446,365	1,396,951	190,348	-	2,033,664
Liens	-	-	-	26,760	23,509	9,207	-	59,476
Reclaimed Connection Fee	-	-	-	-	272,994	-	-	272,994
Interest	2,732	1,678	402	387	11,825	1,371	922	19,317
Gross Receivables	791,475	1,678	2,402	676,311	2,296,581	324,230	8,782	4,101,459
Less: Allowance for Uncollectibles	106,009	-	-	26,838	111,610	21,992	3,779	270,228
Net Total Receivables	<u>\$ 685,466</u>	<u>\$ 1,678</u>	<u>\$ 2,402</u>	<u>\$ 649,473</u>	<u>\$ 2,184,971</u>	<u>\$ 302,238</u>	<u>\$ 5,003</u>	<u>\$ 3,831,231</u>

As the operator of Solid Waste, Utilities, and Marina programs, the City grants credit to their customers, substantially all of whom are City residents. Non-current receivables are not included in the chart above.

Governmental funds do not record revenue in connection with resources that have been received, but not yet earned. Governmental funds report *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate current period liabilities. At the end of the current fiscal year, the General Fund was the only fund that reported unearned revenue. The *unearned revenue* reported in the General Fund consisted of the following:

	<u>General Fund</u>
Recreation receipts not yet earned	\$ 21,519
License fees not yet earned	<u>99,779</u>
	<u>\$ 121,298</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

3. Capital Assets

a. Capital asset activity

Capital asset activity for the fiscal year ended September 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 19,734,294	\$ 1,073,532	\$ -	\$ 20,807,826
Construction in Process	<u>761,938</u>	<u>697,137</u>	<u>(761,939)</u>	<u>\$ 697,136</u>
Total Capital not being Depreciated	<u>20,496,232</u>	<u>1,770,669</u>	<u>(761,939)</u>	<u>21,504,962</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	39,194,878	8,714,327	(119,853)	47,789,352
Infrastructure	8,887,531	401,342	-	9,288,873
Improvements other than Buildings	30,329,935	642,507	(1,048,331)	29,924,111
Machinery and Equipment	<u>20,194,281</u>	<u>1,781,016</u>	<u>(689,661)</u>	<u>21,285,636</u>
Total Capital Assets being Depreciated	<u>98,606,625</u>	<u>11,539,192</u>	<u>(1,857,845)</u>	<u>108,287,972</u>
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(17,149,874)	(1,907,901)	77,450	(18,980,325)
Infrastructure	(2,031,563)	(262,128)	-	(2,293,691)
Improvements other than Buildings	(14,404,706)	(1,451,033)	602,572	(15,253,167)
Machinery and Equipment	<u>(14,655,190)</u>	<u>(1,478,141)</u>	<u>684,455</u>	<u>(15,448,876)</u>
Total Accumulated Depreciation	<u>(48,241,333)</u>	<u>(5,099,203)</u>	<u>1,364,477</u>	<u>(51,976,059)</u>
Total Capital Assets being Depreciated, net	<u>50,365,292</u>	<u>6,439,989</u>	<u>(493,368)</u>	<u>56,311,913</u>
Governmental Activities Capital Assets, net	<u>\$ 70,861,524</u>	<u>\$ 8,210,658</u>	<u>\$ (1,255,307)</u>	<u>\$ 77,816,875</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 1,628,896	\$ -	\$ (1,073,532)	\$ 555,364
Construction in Process	<u>2,679,669</u>	<u>2,905,500</u>	<u>(2,646,844)</u>	<u>2,938,325</u>
Total Capital not being Depreciated	<u>4,308,565</u>	<u>2,905,500</u>	<u>(3,720,376)</u>	<u>3,493,689</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	16,471,885	-	(169,339)	16,302,546
Improvements other than Buildings	123,849,926	5,311,837	(770,863)	128,390,900
Machinery and Equipment	<u>3,219,091</u>	<u>130,810</u>	<u>(90,664)</u>	<u>3,259,237</u>
Total Capital Assets being Depreciated	<u>143,540,902</u>	<u>5,442,647</u>	<u>(1,030,866)</u>	<u>147,952,683</u>
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(15,408,388)	(124,253)	106,889	(15,425,752)
Improvements other than Buildings	(71,780,699)	(4,833,654)	518,696	(76,095,657)
Machinery and Equipment	<u>(2,309,110)</u>	<u>(193,718)</u>	<u>88,673</u>	<u>(2,414,155)</u>
Total Accumulated Depreciation	<u>(89,498,197)</u>	<u>(5,151,625)</u>	<u>714,258</u>	<u>(93,935,564)</u>
Total Capital Assets being Depreciated, net	<u>54,042,705</u>	<u>291,022</u>	<u>(316,608)</u>	<u>54,017,119</u>
Business-type Activities Capital Assets, net	<u>\$ 58,351,270</u>	<u>\$ 3,196,522</u>	<u>\$ (4,036,984)</u>	<u>\$ 57,510,808</u>

Amounts reported as increases to Governmental and Business-type capital assets are different than amounts reported as capital purchased in the statements for the following reasons:

Governmental activities received transfers of assets from the Golf Course of \$1,227,852, and building improvement contributions from the Dunedin Fine Art Center of \$5,080,560; Assets totaling \$852,486 were reclassified to other asset categories; Construction in Progress (CIP) in the amount of \$3,278,372 were transferred to other capital asset categories while \$130,410 in CIP were expensed.

CITY OF DUNEDIN, FLORIDA
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b. Depreciation

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

Governmental Activities:

General Government	\$ 931,779
Public Safety	263,225
Transportation	459,777
Culture and Recreation	1,799,749
Internal Service Funds	1,241,096
Total Depreciation Expense	<u>\$ 4,695,626</u>

Business-type Activities:

Solid Waste	\$ 39,732
Water/Sewer Utility	3,918,328
Stormwater Utility	1,134,540
Marina	56,016
Total Depreciation Expense	<u>\$ 5,148,616</u>

c. Construction contracts

The City has entered into construction contracts for the construction of its capital assets as follows:

	<u>September 30, 2014</u>	
	<u>Estimated Project Amount</u>	<u>Construction in Progress</u>
Governmental Activities:		
The City contracted for design services related to streetscape improvements at Huntley/Monroe Streets.	\$ 203,187	\$ 36,700
The City has contracted for streetscape improvements along North Douglas Ave. between Main St. and Skinner.	460,771	400,959
The City has contracted for the reconstruction of San Christopher Dr. between Bayshore and Lady Marion.	<u>492,935</u>	<u>259,478</u>
Total Governmental Activities	<u>\$ 1,156,893</u>	<u>\$ 697,137</u>

CITY OF DUNEDIN, FLORIDA
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The City has entered into contracts for the construction of Business-type Activities assets as follows:

		September 30, 2014	
		Estimated Project Amount	Construction in Progress
Marina Fund:			
The City has contracted for the installation of a pump-out station and boardwalk improvements at the Marina.		\$ 130,000	\$ 420
The City has contracted for design services related to improvements to the west seawall at the Marina.		\$ 765,000	\$ 13,960
Stormwater Fund:			
The City has contracted for the construction of stormwater system improvements in the President/Lyndhurst Street area.		\$ 3,521,734	\$ 2,923,946
Total Enterprise Funds		\$ 4,416,734	\$ 2,938,326

4. Interfund transfers

Transfers Out:	Transfers In:						Total
	General	CRA	Non Major Governmental	Solid Waste	Marina	Internal Service	
General	\$ -	\$ -	\$ 298,000	\$ -	\$ -	\$ -	\$ 298,000
One Cent Sales Tax	-	96,000	711,635	-	30,500	500,000	1,338,135
CRA	34,900	-	-	-	-	-	34,900
Non-Major Governmental	151,603	-	-	-	-	-	151,603
Water/Sewer Utility	-	-	114,848	520,000	-	-	634,848
Stormwater	-	-	15,848	-	-	-	15,848
Solid Waste	-	-	33,668	-	-	-	33,668
Golf Course	7,678	-	-	-	-	-	7,678
Internal Service	1,221,263	-	12,000	-	-	-	1,233,263
Total Transfers	\$ 1,415,444	\$ 96,000	\$ 1,185,999	\$ 520,000	\$ 30,500	\$ 500,000	\$ 3,747,943

Of the \$298,000 transferred out of the General Fund, \$200,000 was made for debt service payments, \$43,000 was for the resurfacing of the Cemetery's streets, and the remaining balance of \$55,000 was to cover a deficit in the Parks and Recreation Capital Improvement Fund. Of the \$1,338,135 transferred out of the One Cent Sales Tax Fund, \$400,000 was for funding road and sidewalk rehabilitation, \$146,635 was for new enterprise-wide software, \$165,000 was for various Parks and Recreation capital projects, \$30,500 was to replace a Marina seawall, \$500,000 was for facilities maintenance, and \$96,000 for Huntley and Monroe enhancements. The \$33,668, \$114,848, and \$15,848 transferred out of the Solid Waste Fund, Water/Sewer Fund, and Stormwater Fund, respectively, was to fund new enterprise-wide software. The \$520,000 transferred out the Water/Sewer Fund was to pay off a 3-year Interfund loan made with the Solid Waste

CITY OF DUNEDIN, FLORIDA
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Fund. The Golf Course Fund was closed and the \$7,678 was moved to the General Fund. Of the \$1,233,263 transferred out of the Internal Service Funds, \$1,200,000 was identified as excess fund balance and was transferred to the General Fund for general operating and \$12,000 was transferred to the Parks and Recreation Capital Projects Fund, an additional \$21,263 was transferred to the General Fund to for a sidewalk at Splash Park. The \$34,900 transferred out of the Community Redevelopment Agency Fund into the General Fund was a contribution made to the Dunedin Historical Society. A total of \$151,603 was transferred out of Non-Major Governmental Funds. These transfers included \$125,000 transferred to the General Fund from the Stadium Fund per agreement, and \$26,603 transferred to the General Fund due to closing the Grant, Debt Service, and G. Koutsourais Funds.

B. LONG-TERM DEBT

The following presents the long-term debt during the fiscal year ended September 30, 2014:

1. Capital Leases

On September 29, 2009, the City entered into a lease-purchase agreement to finance \$981,140 in solid waste vehicles in the Solid Waste Fund. This five-year capital lease has a 3.11% interest rate and provides for annual payments of \$215,477. Principal due at September 30, 2014, was \$208,976.

On October 29, 2011, the City entered into a lease-purchase agreement to finance \$994,655 in vehicles, one fire truck and two sanitation vehicles. This five-year capital lease has a 3.43% interest rate and provides for annual payments of \$213,793. On March 20, 2012, the City paid off the fire truck portion of the lease, changing the annual payments to \$106,906. Principal due at September 30, 2014, was \$206,201.

The future minimum lease obligations and the net present value of these minimum lease payments at September 30, 2014, were as follows:

Fiscal Year	Governmental Activities
2015	\$ 322,383
2016	106,906
Total Minimum Lease Payments	429,289
Less: Amount Representing Interest	14,112
Present Value of Minimum Lease Payments	\$ 415,177

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2. Revenue Bonds

a. Spring Training Facility Revenue Notes, Series 2001A, 2001B and 2001C, and Series 2012, Series 2012A and Series 2012B

On March 30, 2001, the Commission approved Resolution 01-14, Stadium and Recreation Facilities Financing Amendment, a resolution which amended Resolution 01-10. This resolution authorized the issuance of City revenue notes (spring training facility) series 2001A, series 2001B and series 2001C in the principal amounts of \$6,000,000, \$1,700,000 and \$4,300,000, respectively. These revenue notes were issued to finance the cost of renovation, construction and improvements to the City's existing baseball training facilities. As part of the financing of the Stadium and Recreational Facilities, the City has commitments for funding from Pinellas County (\$3,000,000) and from the State of Florida (\$6,000,000).

On November 9, 2012 the remaining principal of Series 2001B and 2001C were refunded by the Non-Ad Valorem Refunding Revenue Note, (Spring Training Facility), Series 2012A in the amount \$510,000 and the Taxable Non-Ad Valorem Refunding Revenue Note (Spring Training Facility), Series 2012B in the amount of \$1,454,000. Series 2012A was issued to pay principal and interest on Series 2001B, and to pay issuance costs of the new debt. Series 2012B was issued to pay principal and interest on Series 2001C, and to pay issuance costs of the new debt.

Also on November 9, 2012, Series 2001A was refunded by \$3,280,000 City of Dunedin, Florida State Sales Tax Payments Refunding Revenue Note (Spring Training Facility), Series 2012.

The repayment of the notes will be from pledged revenues consisting of State payments of \$500,000 annually, and County payments of \$297,980 annually, and Guaranteed Entitlement Revenues (Non-Ad Valorem).

The terms, interest rates and annual payments for the three revenue notes are as follows:

	<u>2012</u>	<u>2012A</u>	<u>2012B</u>
Original Amount Issued	\$ 3,280,000	\$ 510,000	\$ 1,454,000
Final Maturity	April 1, 2021	April 1, 2016	April 1, 2016
Interest Rates	1.51%	0.92%	1.40%
Monthly Payments	<u>\$ 34,596</u>	<u>\$ 12,638</u>	<u>\$ 36,328</u>
Amount Outstanding at September 30, 2014	<u>\$ 2,599,797</u>	<u>\$ 238,286</u>	<u>\$ 682,240</u>

CITY OF DUNEDIN, FLORIDA
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b. Sales Tax Revenue Bonds, Series 2005

On July 7, 2005, the Commission adopted Resolution 05-22. The Resolution authorized the issuance of \$10 million of Sales Tax Revenue Bonds, Series 2005. These bonds are intended to pay the cost of the acquisition, construction, equipping and installation of the City Community Center and other capital projects. The City's Sales Tax Revenues are pledged as collateral.

The term, interest rate and payments are as follows:

Original Amount Issued	\$ 10,000,000
Final Maturity	October 1, 2025
Interest Rate	3.0% - 4.125%
Annual Payments:	<u>\$ 730,000</u>
Amount Outstanding at September 30, 2014	<u>\$ 6,845,000</u>

c. Non Ad Valorem Revenue Note, Series 2013 – Fire Station

On November 22, 2013 the City adopted resolution 13-49 approving a note with STI Institutional & Government, Inc. in the amount of \$1,280,000. This debt was issued to fund a portion of Fire Station #61.

Original Amount Issued	\$ 1,280,000
Final Maturity	October 1, 2028
Interest Rate	2.87%
Annual Payments:	<u>\$ 106,000</u>
Amount Outstanding at September 30, 2014	<u>\$ 1,280,000</u>

d. Utility Fund - Utility System Bonds

2012 – Water and Sewer System Refunding Revenue Bonds, \$17,900,000

On June 8, 2012, the City issued \$17,900,000 of Water and Sewer System Refunding Revenue Bonds, Series 2012. These bonds were issued at a premium of \$1,125,672 and refunded the following issues: 1994 Reclaimed Water Credit Facility from SunBank of Tampa Bay - \$317,744; a portion of the 2007 Utility Revenue Bonds, and accrued interest - \$11,789,096; a portion of the 2006 Utility System Refunding Bonds, and accrued interest - \$3,074,241. Additionally, these bonds provided project funds in the amount of \$2,208,080, and included SWAP termination fees and interest in the amount of \$180,420 and costs of issuance in the amount of \$215,637. The City contributed \$120,658 toward issue costs.

Scheduled payments of principal and interest on these bonds which mature on October 1, 2018 through October 1, 2027 is guaranteed under a municipal bond

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insurance policy issued by Assured Guaranty Municipal Corporation. The bonds are secured by a pledge of net revenues of the system. A debt service reserve fund surety policy was purchased in lieu of holding a debt service reserve.

The rate covenant requires net revenues in each fiscal year sufficient to pay one hundred and twenty-five percent of the annual debt service requirement on all outstanding bonds of the fund.

e. 2012 - \$5,876,000 Stormwater System Refunding Revenue Bond

On June 8, 2012, the City issued \$5,876,000 of Stormwater System Refunding Revenue Bonds, Series 2012. The bonds are held by Suntrust and are 20 year bonds at 3.04%. These bonds were issued at a premium of \$84,971 and refunded the following issues: a portion of the 2007 Utility Revenue Bonds, and accrued interest - \$2,610,624; a portion of the 2006 Utility System Refunding Bonds, and accrued interest - \$104,912. Additionally, these bonds provided project funds in the amount of \$3,100,296, and included costs of issuance in the amount of \$159,054 and accrued interest of \$5,580 on the SWAP termination. The City contributed \$19,495 toward issue costs. The bonds are secured by a lien on pledged revenues which are gross revenues of the system.

f. Debt service requirements

Revenue Bond and Capital Lease
Debt Service Requirements to Maturity are as follows:

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total All Funds</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$ 1,807,481	\$ 339,520	\$ 1,187,000	\$ 775,178	\$ 4,109,179
2016	1,380,850	299,005	1,223,000	738,393	3,641,248
2017	958,050	269,224	1,261,000	700,467	3,188,740
2018	985,992	242,458	1,298,000	650,927	3,177,377
2019	1,015,025	214,121	1,345,000	599,575	3,173,722
2020-2024	4,056,101	635,849	7,553,000	2,115,663	14,360,613
2025-2029	1,857,000	57,634	7,523,000	630,095	10,067,728
2030-2033	-	-	1,486,001	69,434	1,555,435
Total	\$ 12,060,499	\$ 2,057,811	\$ 22,876,000	\$ 6,279,731	\$ 43,274,042

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3. Changes in Long-Term Liabilities

Long-term liability activities for the year ended September 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital Leases	\$ 717,261	\$ -	\$ (302,084)	\$ 415,177	\$ 310,827
Bonds and Notes Payable	11,759,958	1,280,000	(1,394,636)	11,645,322	1,496,654
Compensated absences	1,554,517	1,365,024	(1,275,086)	1,644,455	74,008
Claims	-	521,644	-	521,644	85,170
Net OPEB Obligation	<u>259,702</u>	<u>34,202</u>	<u>-</u>	<u>293,904</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 14,291,438</u>	<u>\$ 3,200,870</u>	<u>\$ (2,971,806)</u>	<u>\$ 14,520,502</u>	<u>\$ 1,966,659</u>
Business-Type Activities:					
Bonds and Notes Payable	\$ 23,776,000	\$ -	\$ (900,000)	\$ 22,876,000	\$ 1,187,000
Deferred Amounts for:					
Unamortized Premiums	1,186,347	-	(85,573)	1,100,774	-
Loss on Refunding	<u>(16,245)</u>	<u>(16,245)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue Bonds	24,946,102	(16,245)	(985,573)	23,976,774	1,187,000
Compensated Absences	1,152,601	355,376	(529,268)	978,709	44,465
Net OPEB Obligation	<u>142,770</u>	<u>17,193</u>	<u>-</u>	<u>159,963</u>	<u>-</u>
Business-Type Activity Long-Term Liabilities	<u>\$ 26,241,473</u>	<u>\$ 356,324</u>	<u>\$ (1,514,841)</u>	<u>\$ 25,115,446</u>	<u>\$ 1,231,465</u>

Internal service funds predominately serve governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$257,558 and \$28,676 of internal service funds' compensated absences and net OPEB obligation, respectively, are included in the above amounts. The General Fund has historically been used to liquidate the net pension obligation or increase the net pension asset. Conversely, the net OPEB obligation has been liquidated by all of the City's funds in the form of health insurance premiums paid. The amount paid by each fund is derived from the number of employees in each fund.

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NOTE V – OTHER INFORMATION

A. PENSION

1. Florida Retirement System

Plan Description: All of the City's non uniformed full-time employees (hired before January 1, 1996) participate in the Florida Retirement System (FRS), a non-contributory cost-sharing, multiple-employer public employee retirement system (PERS).

The City of Dunedin contributes to the FRS for the benefit of these employees. This retirement system is administered by the Florida Department of Management Services, Division of Retirement. The FRS issues a publicly available financial report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to: State of Florida, Division of Retirement, Post Office Box 9000, Tallahassee, FL 32315-9000.

FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Annual cost of living adjustments are based on the participant's years of service prior to July 1, 2011. Chapter 121 of the Florida Statutes assigns the authority to establish and amend benefit provisions to the Department of Management Services through the Division of Retirement.

Benefits are computed on the basis of age, average final compensation, and service credit. Regular class employees who retire at or after age 65 with 8 years of credited service (age 62 with 6 years of service if enrolled prior to July 1, 2011) regardless of age are entitled to a retirement benefit payable monthly for life equal to 1.6% to 1.68% (depending on their service class) of their average final compensation for each year of credited service. Final average compensation is the employee's average of the five highest years of salary earned during credited service.

Vested employees with less than 33 years of service (30 years of service if enrolled prior to July 1, 2011), may retire before normal retirement age and receive benefits that are reduced 5% for each year prior to normal retirement age or date. A post-employment health insurance subsidy is also provided to eligible retired employees through the FRS in accordance with Florida Statutes.

For employees who elect participation in the Investment Plan instead of the Pension Plan, vesting occurs after one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

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The FRS Deferred Retirement Option Program (DROP) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. While in DROP, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn interest compounded monthly, equivalent to an effective annual rate of 6.5%.

The election to participate in DROP must be made within 12 months of the member's normal retirement date, unless the member is eligible to defer the election. To participate for the maximum DROP period, the member must enter DROP upon first reaching eligibility for normal retirement, or upon reaching an eligible deferral date as described below:

- A member of the Regular Class, Elected Officers' Class, or the Senior Management Service Class who reaches his or her normal retirement date before reaching age 57 may defer DROP entry until age 57 and still participate for 60 months.
- A member of the Elected Officers' Class who reaches his or her normal retirement date during a term of office may defer the DROP election until the next succeeding term in that office and still participate for up to 60 months or until the end of the succeeding term, whichever is less.

Upon termination, the DROP account is paid out as a lump-sum payment, a rollover, or a combination partial lump-sum payment and rollover, and monthly benefits are paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years.

In most cases, the DROP participant must cease employment after a maximum of 60 months in DROP, must satisfy the termination requirements for retirement, and is subject to reemployment restrictions thereafter. However, effective July 1, 2002, a DROP participant who holds an elective office covered by the Elected Officers' Class may end DROP participation and postpone compliance with termination requirements and reemployment limitations until he or she no longer holds the elective office (including consecutive terms in the same office). For the period of time between the end of DROP participation and termination, no retirement credit is earned and the member's DROP accumulation accrues no additional monthly benefits (but continues to earn interest).

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. The FRS requires a 3% contribution for members effective July 1, 2011. Governmental employers are required to make contributions based on statewide rates. The FRS establishes contributions based on the state fiscal year, which begins July 1st. For the period of October 1, 2013 to June 30, 2014, the contribution rates, by job class, were as follows: regular employees 6.95%, senior management 18.31%, and DROP participants 12.84%. The City's contribution

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includes 1.20% for a post-retirement health insurance subsidy. For the period of July 1, 2014 to September 30, 2014, the contribution rates, by job class, were as follows: regular employees 7.37%, senior management 21.14%, and DROP participants 12.28%. The City's contribution includes 1.26% for a post-retirement health insurance subsidy. FRS also provides disability and survivors' benefits. Benefits are established by Florida State Statute. The contribution requirements of employers are established and may be amended by the Division of Retirement. The total contributions to the plan for the years ending:

Year Ended	Required Contribution	Percentage Contributed
September 30, 2014	\$ 482,209	100%
September 30, 2013	\$ 365,912	100%
September 30, 2012	\$ 325,205	100%

2. Firefighters' Retirement Fund

For the year ended September 30, 2014, the City implemented GASB Statement Number 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement 25*. GASB Statement 67 was adopted for the separately issued financial statements and note disclosures of the City of Dunedin's Municipal Firefighters' Pension Trust Fund, a fiduciary fund in the City's financial statements. The adoption of this standard had no quantitative impact on the financial reporting of the City for the year ended September 30, 2014. However, the actuarial calculations resulting from the adoption of this standard will impact the City's financial statements for the year ending September 30, 2015.

The City of Dunedin Municipal Firefighters' Pension Trust Fund issues a publicly available financial report that includes financial statements and required supplementary information for single employer pension plans. That report may be obtained by writing to: Davidson, Jamieson & Cristini, P.L., 1956 Bayshore Boulevard, Dunedin, FL, 34698.

The accrual basis of accounting is used for the Plan. Under the accrual basis of accounting, revenues are recognized when they are earned and collection is reasonably assured, and expenses are recognized when the liability is incurred. Plan member contributions are recognized in the period in which the contributions are due. City contributions to the plan, as calculated by the Plan's actuary, are recognized as revenue when due. Benefits and refunds are recognized when due and payable, in accordance with the terms of the plan. Investments are measured at fair value based on quoted market prices for securities held by the Plan.

Firefighter contribution rates are established at 5.5% of salary. A state excise tax rebate is also received from the State of Florida under Florida Statutes, Chapter 175 (C.175) and the City in amounts sufficient to fund the Plan at an actuarially determined rate specified by state statute, C. 175. The City recognized these on-behalf payments from the State totaling \$322,029 as revenues and expenditures within the general fund of the

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governmental fund financial statements, as well as within governmental activities of the government-wide financial statements.

All of the City's full-time fire employees participate in a separate single-employer, defined benefit pension plan. Membership in the Plan as of September 30, 2014, is summarized as follows:

Group	September 30, 2014
Inactive plan members or beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	51
Total	97

Benefits for Firefighters are determined by category and length of service as follows:

Benefits	Vesting
Normal retirement at age 55 with ten years of service, age 52 with 25 years of service; 3.0% of average compensation for first twenty-five years of credited service and 2.0% of average compensation for each year in excess of 37.5 years of service; a supplemental monthly benefit of \$3 per year of service not to exceed \$75; reduced benefits for early retirement.	After ten years of creditable service.

Deferred Retirement Option Plan

Any Plan participant who is eligible to receive a normal retirement pension may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a firefighter. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the participant as a result of retirement are accumulated and invested in the DROP to be distributed to the participant upon his or her termination of employment. Participation in the DROP ceases for a Plan participant after the earlier of 5 years or the attainment of thirty years of service.

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The City's Annual Pension Cost and Net Pension Obligation for the year ended September 30, 2014, is as follows:

Annual required employer contributions	\$ 793,364 *
Interest on net pension obligation	(8,274)
Adjustment to annual required contribution	6,007
Annual pension cost	<u>791,097</u>
Contributions made	793,364 *
Increase (decrease) in net pension obligation	<u>(2,267)</u>
Net pension obligation (asset), beginning of year	(106,760)
Net pension obligation (asset), end of year	<u><u>\$ (109,027)</u></u>

* the Actuarially Determined Contributions and the Contributions Made include both City and State Contributions.

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period is 30 years. The Plan's three-year trend information is summarized as follows:

Three Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2014	\$ 791,097	100.3%	\$ (109,027)
9/30/2013	830,678	100.3%	(106,760)
9/30/2012	823,647	100.3%	(104,540)

The required and actual contributions reflect City and State contributions.

Information about the funded status of the Plan, as of October 1, 2014, the most recent actuarial valuation date, is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Funded) Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ([b-a]/c)
October 1						
2014	\$ 23,031,105	\$ 23,069,358	\$ 38,253	99.8%	\$ 3,211,327	1.2%

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The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The components of net pension liability of the City on September 30, 2014, were as follows:

Total pension liability	\$ 23,012,840
Plan fiduciary net position	<u>(24,268,688)</u>
City's net pension asset	<u>\$ (1,255,848)</u>
Plan fiduciary net position as a percentage of total pension asset	<u>105.46%</u>

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014, using the following assumptions applied to all measured periods.

Inflation	3.50%
Salary increases	4% - 14%
Investment rate of return	7.75%

RP-2000 Table with no projection - Based on study of 650 public safety funds, this table reflects a 10% margin for future mortality improvements.
(Disabled lives set forward 5 years)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included the pension plan's target asset allocation as of September 30, 2014, are summarized in the following table:

<u>Target Allocation</u>	<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
55%	Domestic equity	5.20%
10%	International equity	5.20%
25%	Domestic bonds	1.89%
10%	Real estate	3.94%

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Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City, calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 – percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75) than the current rate.

	1% Decrease 6.75%	Rate 7.75%	1% Increase 8.75%
City's net pension liability (asset)	\$ 1,370,486	\$ (1,255,848)	\$ (3,428,660)

3. Defined Contribution Plan

Beginning January 1, 1996, the City began providing retirement benefits for all of its full-time employees not covered under the Florida Retirement System or the Municipal Firefighters' Pension Trust Fund through a non-contributory defined contribution plan administered by Great West under their prototype Profit-Sharing Plan and Trust Agreement. At September 30, 2014, there were 211 Plan members in the defined contribution plan. Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate after one year of employment. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after six years of continuous service.

City contributions for, and interest forfeited by, employees who leave employment before six years are used to reduce the City's current-period contribution requirement. Plan provisions and contribution requirements are established and may be amended by the City Commission.

The City's total payroll in fiscal year ended September 30, 2014, was \$16,988,745. The City's contributions were calculated using the participants' salary amount of \$8,623,493. The City's contributions to the Plan for the years ended September 30, 2014, 2013, and 2012 were \$811,124, \$767,924, and \$765,830, respectively.

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B. SELF INSURANCE PROGRAM

The City is exposed to various risks of loss related to: torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City established, in 2009, a Self-Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risk of loss. The City utilizes this fund to self-insure its first \$250,000 of property damage per occurrence (except wind, hail, and named storms, which has a deductible of 5% of total location value per building, subject to a minimum of \$500,000), and its first \$350,000 of any employee work injury. The City also self-insures all auto liability and the majority of general liability losses, except for Dunedin recreation summer camp and St. Andrews Links Golf Course, where separate insurance policies are utilized. All claims for general liability, automobile liability, and police professional liability of covered assets are included within the City's Self-Insurance Fund.

The City purchases commercial stop-loss insurance for claims in excess of coverage provided by the Fund and for other risks of loss. Settled claims have not surpassed the premiums for this commercial coverage for the last three fiscal years.

All funds of the City participate in the program and make payments to the Self-Insurance Fund based on a current claims cost estimate to pay prior and current-year claims. The Self Insurance Fund maintains \$3 million in reserves per Resolution No. 08-02 adopted on December 6, 2007.

The claims liability of \$320,914, reported in the Fund at September 30, 2014, is based on information identified prior to the issuance of the financial statements, and indicates that a liability has been incurred as of the date of the financial statements and that the amount of the loss can be reasonably estimated. These liabilities, including IBNR (incurred but not reported claims), are based on the estimated ultimate cost of settling the claims (excluding the effects of inflation and other societal and economic factors), using past experience adjusted for current trends and any other factors that would modify past experiences. Claims liabilities also include specific incremental claim adjustment expenses. Changes in the Fund's claims liability amount during the year ended September 30, 2014, are as follows:

	Workers Compensation	Property and Liability	Total
Claims reserve, September 30, 2012	\$ 51,780	\$ 97,482	\$ 149,262
Plus: Incurred claims and reserve adjustments	400,544	298,604	699,148
Less: Paid claims and reserve adjustments	(210,383)	(174,367)	(384,750)
Claims reserve, September 30, 2013	241,941	221,719	463,660
Plus: Incurred claims and reserve adjustments	150,465	86,072	236,537
Less: Paid claims and reserve adjustments	(210,922)	(168,361)	(379,283)
Claims reserve, September 30, 2014	<u>\$ 181,484</u>	<u>\$ 139,430</u>	<u>\$ 320,914</u>

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The City is also self-insured for its Employee Health Plan. The Plan started October 1, 2010. The Plan is accounted for in an Internal Service Fund and is externally administered, for an annually contracted amount that is based on dollar value of claims processed. Contributions for City employees and their dependents are shared by the City and the employee. Administrative fees are paid primarily out of this fund. Stop-loss insurance is maintained for this program at \$100,000 per individual with an annual aggregate maximum benefit of \$1,000,000. No claims have exceeded insurance coverage since the Plans inception.

Changes in the Fund's claims liability amount during the year ended September 30, 2014, are as follows:

	Health Benefit Plan
Claims reserve, October 1, 2012	\$ 214,111
Plus: Incurred claims and reserve adjustments	2,122,905
Less: Paid claims and reserve adjustments	<u>(2,148,472)</u>
Claims reserve, September 30, 2013	188,544
Plus: Incurred claims and reserve adjustments	2,572,533
Less: Paid claims and reserve adjustments	<u>(2,560,347)</u>
Claims reserve, September 30, 2014	<u><u>\$ 200,730</u></u>

C. POST-EMPLOYMENT BENEFITS

GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB)", established accounting standards for postretirement benefits. The standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer's financial statement as an increase (or decrease) in the net OPEB obligation.

Plan Description and Funding Policy

Employees who retire from the City of Dunedin, and eligible dependents and survivors, are eligible to continue to participate in the City's health insurance programs at the "blended" employee group rate which is determined annually by the City and approved by the City Commission. Retirees have 31 days to elect to enroll in the City's health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of the latest actuarial valuation date, a total of 283 active employees and 13 retired, inactive employees were participating in the City's health program. The City provides no funding for any portion of the premiums after retirement; however, the City recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund since an irrevocable

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trust has not been established to fund the plan. The plan does not issue a separate financial report.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The City's annual OPEB cost for its plan for the current year is as follows:

	Annual OPEB Cost
Annual Required Contribution (ARC)	\$ 114,721
Interest on Net OPEB Obligation	16,099
Adjustment to ARC	<u>(15,994)</u>
Annual OPEB Cost	114,826
Contributions made (pay-as-you-go basis)	<u>63,431</u>
Increase in Net OPEB Obligation	51,395
Net OPEB Obligation, beginning of year	<u>402,472</u>
Net OPEB Obligation, end of year	<u>\$ 453,867</u>

The City's three year trend information, consisting of annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014, 2013, and 2012, are as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2014	\$ 114,826	55.2%	\$ 453,867
9/30/2013	117,275	49.6%	402,472
9/30/2012	141,739	51.5%	343,391

As of October 1, 2013, the most recent actuarial valuation date the actuarial accrued liability (AAL) for benefits was \$1,201,769, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,201,769. The ratio of the UAAL to covered payroll of \$13,455,126 is 8.9%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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The schedule of funding progress, presented as required supplementary information in the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the City and the plan members at that point. Actuarial calculations reflect a long term perspective and employ methods and assumptions that are designed to reduce the short term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions used for this valuation are as follows:

Valuation Date	10/1/2014 (with results that were projected backwards to September 30, 2013 on a "no loss/no gain" basis)
Actuarial Cost Method	Projected Unit Credit with linear proration to decrement
Amortization Period	30 years
Amortization Method	Level Percent of Pay Over 30 Years Based on an Open Group
Discount Rate	4.00% Unfunded
Inflation Rate	3.00%
CPI	3.00%
Healthcare Cost Trend	9.5% (grading down to 5% in 2022)(Next update in FY2015)
Payroll Growth Rate	3.00% per year

D. CONTINGENCIES AND COMMITMENTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial. Various other suits and claims, arising in the ordinary course of the City's operations, are pending against the City of Dunedin. These claims consist of personal injury, discrimination, property damage and sales tax. The ultimate effect of such litigation cannot be ascertained at this time, but are not expected to be material.

E. FEDERAL AND STATE GRANTS

The City participates in a number of federal and state grant programs. These programs are subject to audit by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does believe, the amount of disallowances, if any, would have a material effect on the financial position of the City.

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NOTE VI – FUND BALANCE REPORTING

Governmental fund balances reported on the fund financial statements at September 30, 2014, include the following:

Non Spendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to remain intact.

The City's non spendable fund balance consisted of inventories \$2,651 and prepaid items in the General Fund and CRA fund of \$214,245, and \$4,899 respectively.

Restricted Fund Balance – 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 and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Below represents the detail comprising the City's restricted fund balance:

General Fund		Other Governmental Funds	
Bequests	\$ 215,337	One Cent Sales Tax	\$ 2,549,410
Housing	69,197	County Gas Tax	1,184,212
Public Safety	58,443	Community Redevelopment Agency	459,571
Adopt-a-Tree	7,854	Impact Fees	143,152
Windlasses / DYSA	1,642	Stadium	118,014
Total	\$ 352,473	Public Library Operation	33,761
		Total	\$ 4,488,120

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the City Commission, which is the City's highest level of decision making authority, with same formal action (resolution) occurring prior to the City's fiscal year-end. Commitments may be modified or removed only by the City Commissioners taking the same formal action that imposed the constraint originally.

The City's committed fund balance consists of multi-year capital improvement projects that were evaluated and approved for expenditure by the City Commission via formal resolution.

Also included in committed fund balance are Cemetery revenues from the sale of burial spaces as established by Resolution 94-20 which was amended by Resolution 08-27 and contributions to provide recreational activities for Dunedin's youth. The G. Koutsourias Fund was established via Resolution 93-58.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Below represents the detail comprising the City's committed fund balance:

Committed		
Capital Improvement Projects	\$	328,405
Perpetual Care		225,171
G. Koutsourias Fund		3,247
Total	\$	<u>556,823</u>

Assigned Fund Balance – Includes spendable fund balance amounts established by an official (either the City Manager or Finance Director) authorized by the City Commission that are intended to be used for specific purposes that are neither considered restricted or committed. Such authorization was established via Resolution 12-09.

Below represents the detail comprising the City's assigned fund balance:

General Fund		
Purchase Orders not yet completed at year-end	\$	54,451
Subsequent year's budget: appropriation of fund balance		10,996
Total	\$	<u>65,447</u>

Unassigned Fund Balance – This is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund, except for the General Fund, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Regarding spending priorities, the City's formally adopted fund balance policy does not address prioritization among fund balance categories. However, it is assumed that restricted funds will be spent first unless there are legal documents that prohibit doing this, such as grant agreements. For unrestricted fund balance amounts, committed would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

NOTE VII – SUBSEQUENT EVENTS

On December 18, 2014, the City issued \$6,120,000 Stormwater System Revenue Bonds, Series 2014, pursuant to the provisions of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal charter of the City of Dunedin, and other applicable provisions of law, and both Resolution No. 12-18 and 14-36 adopted by the City Commission of the City of Dunedin. The bonds are a qualified tax exempt obligation within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986. The bonds do not

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

constitute a general indebtedness of the City within the meaning of any constitutional, statutory or charter provision of limitation, and it is expressly agreed by the holder of the note that such note holder shall never have the right to require or compel the exercise of the ad valorem taxing power of the city or taxation of any real or personal property therein or the use of ad valorem tax revenues for the payment of the principal of and interest on the note or the making of any other payments provided for in the resolution.

The purpose of incurring the debt was to finance and/or reimburse the costs of design, permitting, acquisition, construction and reconstruction of improvements to the Stormwater System. Together with project proceeds, the amount borrowed included approximately \$132,000 in issuance and financing costs. Principal is paid once a year on October 1, and interest is paid on October 1 and April 1 each year through October 1, 2044.

Full year annual debt service (includes principal and interest) payments range from approximately \$340,000 - \$345,000. The coupon interest rate varies during the life of the bonds and ranges from 2.00% - 4.00%.

On January 23, 2015 the City issued \$6,505,000 Sales Tax Refunding Revenue Bond, Series 2015, pursuant to the provisions of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal charter of the City of Dunedin, and other applicable provisions of law, and both Resolution No. 14-37 and 14-38 together with a resolution dated January 22, 2015 (collectively the 2015 Bond Resolution) adopted by the City Commission of the City of Dunedin. The bond is a qualified tax exempt obligation within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986. The bond does not constitute a general indebtedness of the City within the meaning of any constitutional, statutory or charter provision of limitation, and it is expressly agreed by the holder of the note that such note holder shall never have the right to require or compel the exercise of the ad valorem taxing power of the city or taxation of any real or personal property therein or the use of ad valorem tax revenues for the payment of the principal of and interest on the note or the making of any other payments provided for in the resolution.

The purpose of incurring the debt was to fully advance refund all amounts outstanding of \$10,000,000 Sales Tax Revenue Bonds, Series 2005. The amount borrowed included approximately \$63,000 in issuance and financing costs. Principal is paid once a year on October 1, and interest is paid on October 1 and April 1 each year through October 1, 2025. The original 2005 bonds were used to provide a portion of the funds to pay or reimburse the costs of acquisition, construction, and equipment installation for the City Community Center. This bond refunding will result in total cumulative cost savings to the City through 2025 of approximately \$553,000 with a net present value of approximately \$498,000.

Full year annual debt service (includes principal and interest) payments range from approximately \$543,000 - \$676,000. The interest rate is 1.96% and is fixed throughout the life of the bond.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF DUNEDIN, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2014**

MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

**Schedule of Changes in the City's Net Pension Liability
And Related Ratios**

September 30, 2014

Total Pension Liability	
Service cost	\$ 793,320
Interest	1,685,549
Changes in excess state money	9,746
Share plan allocation	29,234
Contributions - buy back	64,645
Benefit payments, including refunds of employee contributions	(1,083,306)
Net Change in Total Pension Liability	<u>1,499,188</u>
Total Pension Liability - Beginning	<u>21,513,652</u>
Total Pension Liability - Ending (a)	<u><u>\$ 23,012,840</u></u> ^(a)
 Plan Fiduciary Net Position	
Contributions - city	\$ 510,314
Contributions - state	322,029
Contributions - employee	176,623
Contributions - buy back	64,645
Net investment income	1,930,923
Benefit payments, including refunds of employee contributions	(1,083,306)
Administrative expense	(46,515)
Net Change in Plan Fiduciary Net Position	<u>1,874,713</u>
 Plan Fiduciary Net Position - Beginning	<u>22,393,975</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 24,268,688</u></u> ^(b)
 City's Net Pension Asset - Ending (a) - (b)	<u><u>\$ (1,255,848)</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.46%
 Covered-Employee Payroll	\$ 3,211,327
 City's Net Pension Asset as a Percentage of Covered-Employee Payroll	39.11%

Notes to Schedule:

Benefit changes - none

Changes of assumptions - none

Only one year's information is available. Future years will be reported as available.

**CITY OF DUNEDIN, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2014**

MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

Schedule of City Contributions – Last 10 Fiscal Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarially Determined Contribution	\$ 793,364	\$ 832,898	\$ 825,820	\$ 816,780	\$ 719,844	\$ 704,462	\$ 642,825	\$ 624,664	\$ 545,644	\$ 469,459
Contributions Related to the										
Actuarially Determined Contribution	793,364	832,898	825,820	816,780	719,844	704,462	642,825	624,664	545,644	469,459
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 3,211,327	\$ 3,138,275	\$ 3,110,720	\$ 3,287,502	\$ 3,395,469	\$ 3,331,281	\$ 2,981,145	\$ 2,874,332	\$ 2,669,044	\$ 2,738,385
Contributions as a Percentage of Covered-										
Employee Payroll	24.71%	26.54%	26.55%	24.85%	21.20%	21.15%	21.56%	21.73%	20.44%	17.14%

Notes to Schedule:

Valuation date: October 1, 2012

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine the actuarially determined contribution:

Actuarial cost method Entry Age Normal Actuarial Cost Method
Amortization method Level percentage of pay, closed
Amortization period 30 years
Asset valuation method 5 year smoothing
Inflation 3.5% per year
Salary increases 15.0% in 1st year of service, 7.0% per year in years 2-5 and 5.0% per year beyond that. It is assumed that the last year's salary will be 5% to 15% higher (depending on service as of 10/1/11) as a result of lump sum sick and vacation payments at retirement.

Investment rate of return 7.75% per year compounded annually, net of investment expenses

Retirement rates number of Years At
First Eligibility for
Normal Retirement Probability of Retirement
0 35%
1 20%
2 20%
3 20%
4 20%
5+ 100%

The assumed rate of retirement is 5.0% for each year of eligibility for early retirement.

Mortality RP-2000 Combined Healthy without projection; Disabled lives are set forward five years.

**CITY OF DUNEDIN, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2014**

MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

Schedule of Investment Returns

Annual money-weighted rate of return, net of investment expense 8.56%

OTHER POSTEMPLOYMENT BENEFITS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
10/01/14	-	\$1,201,769	\$1,201,769	0.0%	\$13,455,126	8.9%
10/01/13	-	1,225,207	1,225,207	0.0%	13,063,229	9.4%
10/01/12	-	1,496,786	1,496,786	0.0%	15,277,568	9.8%

Schedule of Employers Contributions

Fiscal Year	City Contribution	Annual Required Contribution	Percentage Contributed
2014	\$ 63,431	\$114,721	55.3%
2013	58,194	117,186	49.7%
2012	73,052	141,668	51.6%
2011	66,411	148,037	44.9%

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the receipt, custody, and expenditure of revenues from specific sources for which the City is required legally to limit expenditures to particular uses and to account separately for these resources.

Government Grants

To account for Federal, State and County grants, the use of which is restricted for certain projects.

Stadium

To account for the receipt and disbursement of revenues from various recreational activities as mandated upon the issuance of Capital Improvement Recreation Certificates.

Impact Fees

To account for the receipt and disbursement of fees levied to pay for future parkland, fire department capital outlays, law enforcement capital outlays, and transportation capital outlays. This fund is also used to collect for and disburse to the County its share of transportation impact fees.

Library Co-Op

To account for the receipt and disbursement of monies associated with the Library Co-Op.

G. Koutsourias Youth

To account for the receipt and disbursement of donated monies for recreation capital improvement and maintenance programs at facilities owned and operated by the City. Any improvements funded in this manner will become the property of the City.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service

To accumulate monies for the payment of annual debt service applicable to the resurfacing of Palm

Capital Projects Funds

Capital Project Funds are used to account for resources to be used for acquisition or construction of major capital improvement projects.

County Gas Tax

To account for the costs of road and street improvements funded by proceeds of the Pinellas County gas tax.

Parks & Recreation Capital Improvement

To account for the renewal and replacement of recreation and parks equipment.

Capital Improvement

To account for the acquisition of significant equipment items. These acquisitions are funded primarily by transfers from the General Fund. Nominal equipment acquisitions are accounted for in departmental budgets.

**City of Dunedin, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014**

	Special Revenue					
	Government Grants	Stadium	Impact Fees	Library Co-Op	G. Koutsourias Youth	Special Revenue Total
<u>ASSETS</u>						
Cash and cash equivalents	\$ -	\$ 117,170	\$ 153,152	\$ 46,215	\$ -	\$ 316,537
Accounts Receivable	-	1,548	123	38	-	1,709
Deposits	-	500	-	-	-	500
Total assets	<u>\$ -</u>	<u>\$ 119,218</u>	<u>\$ 153,275</u>	<u>\$ 46,253</u>	<u>\$ -</u>	<u>\$ 318,746</u>
<u>LIABILITIES</u>						
Accounts payable	\$ -	\$ 704	\$ -	\$ 16	\$ -	\$ 720
Accrued salaries payable	-	-	-	12,476	-	12,476
Deposits payable	-	500	-	-	-	500
Due to other governments	-	-	10,123	-	-	10,123
Total liabilities	<u>-</u>	<u>1,204</u>	<u>10,123</u>	<u>12,492</u>	<u>-</u>	<u>23,819</u>
<u>FUND BALANCES</u>						
Restricted Balance	-	118,014	143,152	33,761	-	294,927
Total fund balances	<u>-</u>	<u>118,014</u>	<u>143,152</u>	<u>33,761</u>	<u>-</u>	<u>294,927</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 119,218</u>	<u>\$ 153,275</u>	<u>\$ 46,253</u>	<u>\$ -</u>	<u>\$ 318,746</u>

The notes to the financial statements are an integral part of this statement.

**City of Dunedin, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014**

	<u>Debt Service</u>	<u>Capital Project</u>			<u>Grand Total</u>
	<u>Debt Service</u>	<u>County Gas Tax</u>	<u>Parks & Recreation Capital Improvement</u>	<u>Capital Projects Total</u>	<u>Nonmajor Governmental Funds</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ -	\$ 1,080,972	\$ 88,907	\$ 299,506	\$ 1,469,385
Accounts receivable	-	872	573	242	1,687
Due from other governments	-	122,061	-	-	122,061
Deposits	-	-	-	-	500
Total assets	-	1,203,905	89,480	299,748	1,593,133
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$ -	\$ 45,226	\$ 15,597	\$ 60,823
Contracts payable	-	19,693	-	-	19,693
Accrued salaries payable	-	-	-	-	12,476
Deposits payable	-	-	-	-	500
Due to other governments	-	-	-	-	10,123
Total liabilities	-	19,693	45,226	15,597	80,516
<u>FUND BALANCES</u>					
Restricted Balance	-	1,184,212	-	-	1,184,212
Committed	-	-	44,254	284,151	328,405
Total fund balances	-	1,184,212	44,254	284,151	1,512,617
Total liabilities and fund balances	\$ -	\$ 1,203,905	\$ 89,480	\$ 299,748	\$ 1,593,133

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2014

	Special Revenue				
	Government Grants	Stadium	Impact Fees	Library Co-Op	G. Koutsourias Youth
					Special Revenue Total
REVENUES					
Intergovernmental revenues	\$ -	\$ 797,984	\$ -	\$ 345,630	\$ 1,143,614
Charges for services	-	300,493	-	-	300,493
Impact fees	-	-	14,785	-	14,785
Investment earnings (loss)	-	(94)	136	96	138
Other revenue / grants	-	39,293	-	26	39,319
Total revenues	-	1,137,676	14,921	345,752	1,498,349
EXPENDITURES					
Current:					
Culture and recreation	-	329,286	11,783	338,838	679,907
Capital outlay:					
Transportation	-	-	50,290	-	50,290
Debt service:					
Principal	-	944,636	-	-	944,636
Interest	-	58,114	-	-	58,114
Total expenditures	-	1,332,036	62,073	338,838	1,732,947
Excess of revenues over (under) expenditures	-	(194,360)	(47,152)	6,914	(234,598)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	200,000	-	-	200,000
Transfers out	(22,022)	(125,000)	-	-	(150,470)
Total other financing sources (uses)	(22,022)	75,000	-	-	49,530
Net change in fund balances	(22,022)	(119,360)	(47,152)	6,914	(185,068)
Fund balances - beginning	22,022	237,374	190,304	26,847	479,995
Fund balances - ending	\$ -	\$ 118,014	\$ 143,152	\$ 33,761	\$ 294,927

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2014

	<u>Debt Service</u>	<u>Capital Project</u>				
	<u>Debt Service</u>	<u>County Gas Tax</u>	<u>Parks & Recreation Capital Improvement</u>	<u>Capital Improvement</u>	<u>Capital Projects Total</u>	<u>Grand Total Nonmajor Governmental Funds</u>
REVENUES						
Intergovernmental revenues	\$ -	\$ 486,487	\$ 9,730	\$ -	\$ 496,217	\$ 1,639,831
Charges for services	-	-	-	-	-	300,493
Impact fees	-	-	-	-	-	14,785
Investment earnings / (loss)	-	2,750	130	810	3,690	3,828
Rents	-	-	6,000	-	6,000	6,000
Contributions and donations	-	-	27,000	-	27,000	27,000
Other revenue	-	-	333	-	333	39,652
Total revenues	-	489,237	43,193	810	533,240	2,031,589
EXPENDITURES						
Current:						
General government	-	-	-	55,788	55,788	55,788
Transportation	-	84,541	-	-	84,541	84,541
Culture and recreation	-	-	123,921	-	123,921	803,828
Capital outlay:						
General government	-	-	-	136,488	136,488	136,488
Transportation	-	316,033	-	-	316,033	366,323
Culture and recreation	-	-	176,129	-	176,129	176,129
Debt service:						
Principal	-	-	-	-	-	944,636
Interest	-	-	-	-	-	58,114
Total expenditures	-	400,574	300,050	192,276	892,900	2,625,847
Revenues over (under) expenditures	-	88,663	(256,857)	(191,466)	(359,660)	(594,258)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	443,000	232,000	310,999	985,999	1,185,999
Transfers out	(1,133)	-	-	-	-	(151,603)
Total other financing sources (uses)	(1,133)	443,000	232,000	310,999	985,999	1,034,396
Net change in fund balances	(1,133)	531,663	(24,857)	119,533	626,339	440,138
Fund balances - beginning	1,133	652,549	69,111	164,618	886,278	1,367,406
Fund balances - ending	\$ -	\$ 1,184,212	\$ 44,254	\$ 284,151	\$ 1,512,617	\$ 1,807,544

The notes to the financial statements are an integral part of this statement.

**City of Dunedin, Florida
Government Grants Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2014**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Other miscellaneous revenue	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES</u>				
Transfers out	-	(22,023)	(22,022)	1
Total other financing sources	-	(22,023)	(22,022)	1
Net change in fund balances	-	(22,023)	(22,022)	1
Fund balances - beginning	-	32,992	22,022	(10,970)
Fund balances - ending	\$ -	\$ 10,969	\$ -	\$ (10,969)

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Stadium Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Grants - state	\$ 500,000	\$ 500,000	\$ 500,004	\$ 4
Grants - local	297,980	297,980	297,980	-
Charges for Services Blue Jay ticket sales	240,000	240,000	270,727	30,727
Parking/concessions	25,000	25,000	29,766	4,766
Investment earnings	368	368	(94)	(462)
Other miscellaneous revenue	26,000	39,233	39,293	60
Total revenues	<u>1,089,348</u>	<u>1,102,581</u>	<u>1,137,676</u>	<u>35,095</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	355,314	399,857	329,286	70,571
Debt service:				
Principal	944,637	944,637	944,636	1
Interest	58,098	58,098	58,114	(16)
Total expenditures	<u>1,358,049</u>	<u>1,402,592</u>	<u>1,332,036</u>	<u>70,556</u>
Revenues over (under) expenditures	(268,701)	(300,011)	(194,360)	105,651
<u>OTHER FINANCING SOURCES/USES</u>				
Transfers in	508,839	200,000	200,000	-
Transfers out	(125,000)	(125,000)	(125,000)	-
Total other financing sources	<u>383,839</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net change in fund balances	115,138	(225,011)	(119,360)	105,651
Fund balances - beginning	<u>28,009</u>	<u>5,501,634</u>	<u>237,374</u>	<u>(5,264,260)</u>
Fund balances - ending	<u>\$ 143,147</u>	<u>\$ 5,276,623</u>	<u>\$ 118,014</u>	<u>\$ (5,158,609)</u>

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Impact Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Impact Fees	\$ 632,292	\$ 25,600	\$ 14,785	\$ (10,815)
Investment earnings	2,503	2,503	136	(2,367)
Total revenues	<u>634,795</u>	<u>28,103</u>	<u>14,921</u>	<u>(13,182)</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	20,000	-	-	-
Culture and recreation	-	11,783	11,783	-
Capital outlay:				
Transportation	31,250	63,067	50,290	12,777
Aids and grants	134,000	-	-	-
Total expenditures	<u>185,250</u>	<u>74,850</u>	<u>62,073</u>	<u>12,777</u>
Net change in fund balances	449,545	(46,747)	(47,152)	(405)
Fund balances - beginning	<u>896,872</u>	<u>236,829</u>	<u>190,304</u>	<u>(46,525)</u>
Fund balances - ending	<u><u>\$ 1,346,417</u></u>	<u><u>\$ 190,082</u></u>	<u><u>\$ 143,152</u></u>	<u><u>\$ (46,930)</u></u>

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Dunedin Library Co-Op Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues	\$ 325,628	\$ 345,430	\$ 345,630	\$ 200
Investment earnings	-	-	96	96
Other miscellaneous revenue	-	-	26	26
Total revenues	<u>325,628</u>	<u>345,430</u>	<u>345,752</u>	<u>322</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	<u>341,724</u>	<u>361,526</u>	<u>338,838</u>	<u>22,688</u>
Total expenditures	<u>341,724</u>	<u>361,526</u>	<u>338,838</u>	<u>22,688</u>
Net change in fund balances	(16,096)	(16,096)	6,914	23,010
Fund balances - beginning	-	-	26,847	26,847
Fund balances - ending	<u>\$ (16,096)</u>	<u>\$ (16,096)</u>	<u>\$ 33,761</u>	<u>\$ 49,857</u>

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
G. Koutsourais Youth Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Other miscellaneous revenue	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES</u>				
Transfers out	-	(3,448)	(3,448)	-
Total other financing sources	-	(3,448)	(3,448)	-
Net change in fund balances	-	(3,448)	(3,448)	-
Fund balances - beginning	-	(10,030)	3,448	13,478
Fund balances - ending	\$ -	\$ (13,478)	\$ -	\$ 13,478

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Other miscellaneous revenue	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES</u>				
Transfers out	-	(1,133)	(1,133)	-
Total other financing sources	-	(1,133)	(1,133)	-
Net change in fund balances	-	(1,133)	(1,133)	-
Fund balances - beginning	-	(5,662)	1,133	6,795
Fund balances - ending	\$ -	\$ (6,795)	\$ -	\$ 6,795

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
County Gas Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
Intergovernmental revenues:				
Local option gas tax	\$ 480,560	\$ 480,560	\$ 486,487	\$ 5,927
Investment earnings	2,623	2,623	2,750	127
Total revenues	<u>483,183</u>	<u>483,183</u>	<u>489,237</u>	<u>6,054</u>
<u>EXPENDITURES</u>				
Current:				
Transportation	70,875	50,875	84,541	(33,666)
Capital outlay:				
Transportation	<u>677,750</u>	<u>933,287</u>	<u>316,033</u>	<u>617,254</u>
Total expenditures	<u>748,625</u>	<u>984,162</u>	<u>400,574</u>	<u>583,588</u>
Revenues over (under) expenditures	(265,442)	(500,979)	88,663	589,642
<u>OTHER FINANCING SOURCES</u>				
Transfers in	350,000	400,000	443,000	43,000
Total other financing sources	<u>350,000</u>	<u>400,000</u>	<u>443,000</u>	<u>43,000</u>
Net change in fund balances	84,558	(100,979)	531,663	632,642
Fund balances - beginning	<u>129,725</u>	<u>(463,605)</u>	<u>652,549</u>	<u>1,116,154</u>
Fund balances - ending	<u>\$ 214,283</u>	<u>\$ (564,584)</u>	<u>\$ 1,184,212</u>	<u>\$ 1,748,796</u>

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Parks & Recreation Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
Intergovernmental revenues:				
Grants - state	\$ -	\$ -	\$ 9,730	\$ 9,730
Investment earnings	670	670	130	(540)
Contributions and donations	27,000	27,000	27,000	-
Other miscellaneous revenue	-	-	333	333
Other revenue / grants:				
Rent	6,000	6,000	6,000	-
Total revenues	<u>33,670</u>	<u>33,670</u>	<u>43,193</u>	<u>9,523</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	-	65,101	123,921	(58,820)
Capital outlay:				
Culture and recreation	<u>353,000</u>	<u>265,868</u>	<u>176,129</u>	<u>89,739</u>
Total expenditures	<u>353,000</u>	<u>330,969</u>	<u>300,050</u>	<u>30,919</u>
Revenues over (under) expenditures	(319,330)	(297,299)	(256,857)	40,442
<u>OTHER FINANCING SOURCES</u>				
Transfers in	265,000	232,000	232,000	-
Total other financing sources	<u>265,000</u>	<u>232,000</u>	<u>232,000</u>	<u>-</u>
Net change in fund balances	(54,330)	(65,299)	(24,857)	40,442
Fund balances - beginning	<u>-</u>	<u>(48,085)</u>	<u>69,111</u>	<u>117,196</u>
Fund balances - ending	<u>\$ (54,330)</u>	<u>\$ (113,384)</u>	<u>\$ 44,254</u>	<u>\$ 157,638</u>

The notes to the financial statements are an integral part of this statement.

City of Dunedin, Florida
Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Investment earnings	\$ 855	\$ 855	\$ 810	\$ (45)
Total revenues	<u>855</u>	<u>855</u>	<u>810</u>	<u>(45)</u>
<u>EXPENDITURES</u>				
Current:				
General Government	11,000	1,714	55,788	(54,074)
Capital outlay:				
General Government	<u>298,000</u>	<u>468,747</u>	<u>136,488</u>	<u>332,259</u>
Total expenditures	<u>309,000</u>	<u>470,461</u>	<u>192,276</u>	<u>278,185</u>
Revenues over (under) expenditures	(308,145)	(469,606)	(191,466)	278,140
<u>OTHER FINANCING SOURCES</u>				
Transfers in	310,999	310,999	310,999	-
Total other financing sources	<u>310,999</u>	<u>310,999</u>	<u>310,999</u>	<u>-</u>
Net change in fund balances	2,854	(158,607)	119,533	278,140
Fund balances - beginning	<u>-</u>	<u>(451,946)</u>	<u>164,618</u>	<u>616,564</u>
Fund balances - ending	<u>\$ 2,854</u>	<u>\$ (610,553)</u>	<u>\$ 284,151</u>	<u>\$ 894,704</u>

The notes to the financial statements are an integral part of this statement.

DUNEDIN

Home of Honeymoon Island

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Internal Service Funds

Internal Service Funds are utilized to finance and account for services and commodities furnished by a designated department to other departments within the City.

Vehicle Maintenance

This fund is utilized to account for the cost of automotive and other motorized equipment of the City. The acquisition cost of new or upgraded equipment is financed through user departments, and the asset value is simultaneously contributed to the Vehicle Maintenance Fund. The cost of replacement of existing equipment is financed through funded depreciation charges.

Building Maintenance

This fund is utilized to account for the cost of providing custodial and building maintenance services to the various departments. The departments are charged for these services based upon the total square footage of each area. Capital assets constructed by the Building Maintenance Department are charged to the various departments upon the completion of the project.

Self – Insurance

To account for the City's limited self-insurance program, wherein all funds are assessed charges based on damage claims accrued and on allocated proration of insurance premiums, and to maintain proper excess insurance coverage to protect the City.

**City of Dunedin
Internal Service Funds
Combining Statement of Net Position
September 30, 2014**

	<u>Vehicle Maintenance</u>	<u>Building Maintenance</u>	<u>Self Insurance</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,519,341	\$ 1,039,648	\$ 3,992,350	\$ 7,551,339
Accounts receivable	-	-	11,462	11,462
Inventories	97,965	-	-	97,965
Prepaid items	-	-	26,540	26,540
Interest receivable	2,032	840	3,179	6,051
Deposits	-	-	99,960	99,960
Total current assets	<u>2,619,338</u>	<u>1,040,488</u>	<u>4,133,491</u>	<u>7,793,317</u>
Noncurrent assets:				
Capital assets:				
Buildings	460,187	5,679,520	-	6,139,707
Improvements other than buildings	4,744	-	-	4,744
Machinery and equipment	13,492,601	221,460	46,782	13,760,843
Less: accumulated depreciation	<u>(9,523,413)</u>	<u>(1,634,501)</u>	<u>(14,095)</u>	<u>(11,172,009)</u>
Total capital assets, net of accumulated depreciation	<u>4,434,119</u>	<u>4,266,479</u>	<u>32,687</u>	<u>8,733,285</u>
Total assets	<u>7,053,457</u>	<u>5,306,967</u>	<u>4,166,178</u>	<u>16,526,602</u>
LIABILITIES				
Current liabilities:				
Accounts payable	200,424	138,223	147,910	486,557
Accrued salaries payable	19,518	17,982	8,737	46,237
Compensated absences	74,008	-	-	74,008
Contracts payable	-	32,132	-	32,132
Accrued interest payable	10,593	-	-	10,593
Bonds payable	-	74,000	-	74,000
Capital leases payable - current	310,828	-	-	310,828
Claims liabilities	-	-	85,170	85,170
Total current liabilities	<u>615,371</u>	<u>262,337</u>	<u>241,817</u>	<u>1,119,525</u>
Noncurrent liabilities:				
Bonds payable	-	1,206,000	-	1,206,000
Capital leases payable	104,349	-	-	104,349
Compensated absences	70,580	64,060	48,910	183,550
OPEB liability	12,268	12,833	3,575	28,676
Claims liabilities	-	-	436,474	436,474
Total noncurrent liabilities	<u>187,197</u>	<u>1,282,893</u>	<u>488,959</u>	<u>1,959,049</u>
Total liabilities	<u>802,568</u>	<u>1,545,230</u>	<u>730,776</u>	<u>3,078,574</u>
NET POSITION				
Net Investment in capital assets	4,018,942	2,986,479	32,687	7,038,108
Unrestricted	<u>2,231,947</u>	<u>775,258</u>	<u>3,402,715</u>	<u>6,409,920</u>
Total net position	<u>\$ 6,250,889</u>	<u>\$ 3,761,737</u>	<u>\$ 3,435,402</u>	<u>\$ 13,448,028</u>

The notes to the financial statements are an integral part of this statement.

City of Dunedin
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended September 30, 2014

	<u>Vehicle Maintenance</u>	<u>Building Maintenance</u>	<u>Self Insurance</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 2,641,340	\$ 1,464,232	\$ 5,786,133	\$ 9,891,705
Miscellaneous revenue	4,269	27,460	81,369	113,098
Total operating revenues	<u>2,645,609</u>	<u>1,491,692</u>	<u>5,867,502</u>	<u>10,004,803</u>
Operating expenses:				
Personal services	631,841	603,020	283,492	1,518,353
Supplies and services	1,215,924	735,321	5,223,132	7,174,377
Depreciation	975,264	260,541	5,290	1,241,095
Total operating expenses	<u>2,823,029</u>	<u>1,598,882</u>	<u>5,511,914</u>	<u>9,933,825</u>
Operating income / (loss)	<u>(177,420)</u>	<u>(107,190)</u>	<u>355,588</u>	<u>70,978</u>
Nonoperating revenues (expenses):				
Investment earnings / (loss)	3,344	(2,043)	5,818	7,119
Interest/amortization expense	(12,284)	(59,026)	-	(71,310)
Gain / (Loss) on sale of capital assets	30,715	(34,602)	-	(3,887)
Total nonoperating revenues (expenses)	<u>21,775</u>	<u>(95,671)</u>	<u>5,818</u>	<u>(68,078)</u>
Income before contributions and transfers	(155,645)	(202,861)	361,406	2,900
Transfers in	-	500,000	-	500,000
Transfers out	<u>-</u>	<u>(21,263)</u>	<u>(1,212,000)</u>	<u>(1,233,263)</u>
Change in net position	(155,645)	275,876	(850,594)	(730,363)
Total net position - beginning	<u>6,406,534</u>	<u>3,485,861</u>	<u>4,285,996</u>	<u>14,178,391</u>
Net position ending	<u>\$ 6,250,889</u>	<u>\$ 3,761,737</u>	<u>\$ 3,435,402</u>	<u>\$ 13,448,028</u>

The notes to the financial statements are an integral part of this statement.

City of Dunedin
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2014

	Vehicle Maintenance	Building Maintenance	Self Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,642,734	\$ 1,464,350	\$ 5,784,047	\$ 9,891,131
Payments to suppliers	(1,043,049)	(1,089,983)	(5,201,177)	(7,334,209)
Payments to employees	(625,200)	(609,216)	(256,449)	(1,490,865)
Other operating revenue	4,269	27,460	81,369	113,098
Net cash provided by (used in) operating activities	<u>978,754</u>	<u>(207,389)</u>	<u>407,790</u>	<u>1,179,155</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	500,000	-	500,000
Transfers out	-	(21,263)	(1,212,000)	(1,233,263)
Due from other funds	-	-	613,784	613,784
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>478,737</u>	<u>(598,216)</u>	<u>(119,479)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	-	1,280,000	-	1,280,000
Capital contributions from other funds	-	(1,262,000)	-	(1,262,000)
Proceeds from sale of capital assets	30,715	-	-	30,715
Purchase of capital assets	(1,045,398)	(1,634,323)	(622)	(2,680,343)
Principal paid on capital debt	(302,084)	-	-	(302,084)
Interest paid on capital debt	(20,298)	(59,026)	-	(79,324)
Net cash provided by (used in) capital and related financing activities	<u>(1,337,065)</u>	<u>(1,675,349)</u>	<u>(622)</u>	<u>(3,013,036)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings received	4,924	447	7,977	13,348
Net cash provided by (used in) investing activities	<u>4,924</u>	<u>447</u>	<u>7,977</u>	<u>13,348</u>
Net increase in cash and cash equivalents	(353,387)	(1,403,554)	(183,071)	(1,940,012)
Cash and cash equivalents - October 1	2,872,728	2,443,202	4,175,421	9,491,351
Cash and cash equivalents - September 30	<u>\$ 2,519,341</u>	<u>\$ 1,039,648</u>	<u>\$ 3,992,350</u>	<u>\$ 7,551,339</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income / (loss)	<u>\$ (177,420)</u>	<u>\$ (107,190)</u>	<u>\$ 355,588</u>	<u>\$ 70,978</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	975,264	260,541	5,290	1,241,095
(Increase) decrease in				
Accounts receivable	-	118	(2,086)	(1,968)
Inventories	26,619	-	-	26,619
Prepaid items	82	-	(26,100)	(26,018)
Deposits	-	-	(7,189)	(7,189)
Increase (decrease) in				
Accounts payable	147,568	(354,662)	(8,792)	(215,886)
Accrued expenses	-	(3,674)	(4,210)	(7,884)
Accrued wages payable	(3,151)	(2,522)	(381)	(6,054)
Claims liabilities	-	-	68,246	68,246
Compensated absences / OPEB	9,792	-	27,424	37,216
Total adjustments	<u>1,156,174</u>	<u>(100,199)</u>	<u>52,202</u>	<u>1,108,177</u>
Net cash provided by operating activities	<u>\$ 978,754</u>	<u>\$ (207,389)</u>	<u>\$ 407,790</u>	<u>\$ 1,179,155</u>

The notes to the financial statements are an integral part of this statement.

Statistical Section

This part of the City of Dunedin's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	115
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time	
Revenue Capacity	123
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax	
Debt Capacity	129
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future	
Demographic and Economic Information	137
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place	
Operating Information	141
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual Financial reports for the relevant year.

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Home of Honeymoon Island

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Financial Trends

City of Dunedin, Florida
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>Governmental activities:</u>										
Net investment in capital assets	\$ 64,104,251	\$ 58,239,411	\$ 56,781,075	\$ 57,690,458	\$ 52,017,214	\$ 49,216,594	\$ 41,859,854	\$ 40,891,053	\$ 29,656,802	\$ 19,580,030
Restricted	4,840,593	4,424,603	5,892,014	3,309,277	919,351	666,759	1,492,721	1,580,164	1,452,082	11,747,673
Unrestricted	7,363,412	6,502,111	6,459,724	10,834,009	14,804,273	18,340,972	14,346,049	14,337,285	21,095,377	15,959,974
Total governmental activities net position	<u>\$ 69,166,125</u>	<u>\$ 69,166,125</u>	<u>\$ 69,132,812</u>	<u>\$ 71,833,744</u>	<u>\$ 67,740,838</u>	<u>\$ 68,224,325</u>	<u>\$ 57,698,624</u>	<u>\$ 56,808,502</u>	<u>\$ 52,204,261</u>	<u>\$ 47,287,677</u>
<u>Business type activities:</u>										
Net investment in capital assets	\$ 33,534,035	\$ 33,405,168	\$ 33,259,017	\$ 35,573,590	\$ 33,375,182	\$ 32,324,908	\$ 31,123,487	\$ 30,462,861	\$ 44,330,427	\$ 46,477,869
Restricted	1,184,262	1,146,633	1,015,491	8,719,804	9,734,525	12,119,646	11,491,080	13,757,080	4,677,025	4,443,428
Unrestricted	21,764,460	22,845,536	23,293,206	10,028,817	10,567,261	6,829,020	10,189,363	8,530,258	5,042,180	4,144,475
Total business type activities net position	<u>\$ 57,397,337</u>	<u>\$ 57,397,337</u>	<u>\$ 57,567,714</u>	<u>\$ 54,322,211</u>	<u>\$ 53,676,968</u>	<u>\$ 51,273,574</u>	<u>\$ 52,803,930</u>	<u>\$ 52,750,199</u>	<u>\$ 54,049,632</u>	<u>\$ 55,065,772</u>
<u>Primary government:</u>										
Net investment in capital assets	\$ 91,644,579	\$ 91,644,579	\$ 90,040,091	\$ 93,264,048	\$ 85,392,396	\$ 81,541,502	\$ 72,983,341	\$ 71,353,914	\$ 73,987,229	\$ 66,057,899
Restricted	5,571,236	5,571,236	6,907,505	12,029,081	10,653,876	12,786,405	12,983,801	15,337,244	6,129,107	16,191,101
Unrestricted	29,347,647	29,347,647	29,752,930	20,862,826	25,371,534	25,169,992	24,535,412	22,867,543	26,137,557	20,104,449
Total primary government net position	<u>\$ 126,563,462</u>	<u>\$ 126,563,462</u>	<u>\$ 126,700,526</u>	<u>\$ 126,155,955</u>	<u>\$ 121,417,806</u>	<u>\$ 119,497,899</u>	<u>\$ 110,502,554</u>	<u>\$ 109,558,701</u>	<u>\$ 106,253,893</u>	<u>\$ 102,353,449</u>

City of Dunedin, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
EXPENSES										
Governmental activities:										
General government	\$ 3,941,552	\$ 3,359,312	\$ 2,428,449	\$ 2,169,100	\$ 2,499,304	\$ 3,681,315	\$ 2,578,302	\$ 2,964,692	\$ 2,489,508	\$ 2,177,358
Public safety	10,476,788	10,361,120	11,296,238	11,514,839	11,691,457	12,653,234	12,240,372	12,120,351	11,453,193	11,287,223
Physical environment	-	-	-	314,305	-	-	825	869	650	834
Transportation	2,135,489	1,999,785	1,897,883	2,248,772	2,226,040	1,839,363	2,610,475	(662,178)	2,125,973	2,258,259
Economic development	488,187	445,629	508,474	384,451	467,325	507,328	323,734	87,537	58,935	88,207
Culture and recreation	10,136,799	10,111,776	9,673,676	9,599,618	9,772,233	9,931,370	10,727,942	10,829,741	9,009,384	9,559,058
Interest on long term debt	424,781	528,625	642,358	920,611	772,810	834,618	866,910	966,878	1,085,875	837,648
Total government activities expenses	27,603,596	26,806,247	26,447,077	27,151,696	27,429,169	29,447,228	29,348,560	26,307,890	26,223,518	26,208,587
Business type activities:										
Solid waste	5,229,076	5,335,131	4,700,689	4,957,784	4,577,524	4,571,427	4,832,211	4,947,866	4,619,519	5,156,394
Water / sewer utility	15,970,790	15,508,529	16,647,088	17,122,361	16,661,525	18,511,182	17,899,287	17,244,324	14,490,880	14,197,584
Reclaimed water	-	-	-	-	-	-	(25,237)	(5,549)	1,622,107	1,478,474
Stormwater utility	3,037,098	2,725,954	2,150,715	1,892,990	1,792,841	1,615,538	1,729,016	1,365,579	1,196,132	1,207,654
Marina	345,892	292,000	458,798	491,495	484,848	478,476	469,475	471,605	432,949	353,576
Golf course	594	30,206	35,254	71,010	378,065	603,161	613,178	699,414	682,164	595,229
Total business type activities expenses	24,583,450	23,891,820	23,992,544	24,535,640	23,894,803	25,779,784	25,517,930	24,723,239	23,043,751	22,988,910
Total primary government expenses	\$ 52,187,046	\$ 50,698,067	\$ 50,439,621	\$ 51,687,336	\$ 51,323,972	\$ 55,227,012	\$ 54,866,490	\$ 51,031,129	\$ 49,267,269	\$ 49,197,497
PROGRAM REVENUES										
Governmental activities:										
Charges for services										
General government	\$ 523,230	\$ 486,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	3,227,174	3,394,107	3,358,410	3,008,565	2,899,019	2,518,229	2,634,437	2,526,975	2,837,017	2,769,789
Economic development	42,216	89,624	129,946	110,152	126,548	95,097	89,631	104,354	130,241	149,967
Culture and recreation	1,943,283	2,215,859	2,190,448	2,138,344	2,543,144	2,739,619	3,037,989	2,575,098	2,546,850	1,811,469
Operating grants and contributions	511,380	381,213	45,361	137,880	228,748	415,025	190,371	407,785	543,267	588,149
Capital grants and contributions	6,719,504	1,606,456	1,837,921	1,656,723	1,941,343	10,311,831	1,426,814	951,232	1,375,691	3,664,873
Total governmental activities program revenues	15,102,276	8,173,414	7,562,086	7,051,664	7,738,802	16,079,801	7,379,242	6,565,444	7,433,066	8,984,247
Business type activities:										
Charges for services										
Solid waste	4,775,203	4,687,484	5,010,962	4,975,022	5,551,050	5,269,810	5,084,949	4,919,341	4,680,412	4,757,036
Water / sewer utility	15,253,874	15,419,636	16,826,489	15,895,494	15,618,206	15,344,070	15,532,604	14,825,081	13,371,989	12,889,356
Reclaimed water	-	-	-	-	-	-	-	-	663,878	345,407
Stormwater utility	2,956,426	2,937,216	2,693,752	2,270,391	1,887,145	1,682,977	1,640,783	1,689,650	1,628,155	1,327,234
Marina	556,073	469,253	471,043	473,373	433,559	443,924	418,032	420,218	409,465	387,409
Golf course	-	7,452	(903)	25	214,859	473,021	552,518	595,071	570,035	481,781
Operating grants and contributions	-	-	-	7,113	-	-	571,527	113,645	-	-
Capital grants and contributions	1,375,017	137,414	2,114,029	822,883	628,771	973,045	763,242	104,997	316,281	290,976
Total business type activities revenues	24,916,593	23,658,455	27,115,372	24,444,301	24,333,590	24,186,847	24,563,655	22,668,003	21,640,215	20,479,199
Total primary government program revenues	\$ 40,018,869	\$ 31,831,869	\$ 34,677,458	\$ 31,495,965	\$ 32,072,392	\$ 40,266,648	\$ 31,942,897	\$ 29,233,447	\$ 29,073,281	\$ 29,463,446
NET EXPENSE										
Governmental activities	\$ (12,501,320)	\$ (18,632,833)	\$ (18,884,991)	\$ (20,100,032)	\$ (19,690,367)	\$ (13,367,427)	\$ (21,969,318)	\$ (19,742,446)	\$ (18,790,452)	\$ (17,224,340)
Business type activities	333,143	(233,365)	3,122,828	(91,339)	438,787	(1,592,937)	(954,275)	(2,055,236)	(1,403,536)	(2,509,711)
Total primary government net (expense) / revenue	\$ (12,168,177)	\$ (18,866,198)	\$ (15,762,163)	\$ (20,191,371)	\$ (19,251,580)	\$ (14,960,364)	\$ (22,923,593)	\$ (21,797,682)	\$ (20,193,988)	\$ (19,734,051)

City of Dunedin, Florida
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities:										
Taxes:										
Property taxes	\$ 6,569,073	\$ 5,767,080	\$ 6,096,273	\$ 6,540,293	\$ 7,277,630	\$ 8,364,594	\$ 9,212,358	\$ 9,982,922	\$ 8,844,774	\$ 7,662,303
Utility service taxes	4,446,105	4,223,089	4,208,418	4,534,665	4,807,075	4,713,985	4,248,062	4,273,255	4,253,827	4,095,884
Infrastructure sales surtax	3,192,877	3,013,051	2,810,128	2,674,927	2,720,927	4,727,908	3,708,123	3,188,280	3,603,251	3,509,710
Half cent sales tax	2,045,485	1,947,273	1,864,750	1,846,028	1,793,787	1,808,035	1,983,182	2,083,144	2,178,564	2,131,371
Franchise taxes	2,624,822	2,371,745	2,541,409	2,707,724	2,935,741	2,811,613	2,474,338	2,600,247	2,618,432	2,222,492
Other taxes	351,802	171,956	81,917	83,596	76,239	73,668	102,781	76,095	-	439,041
State revenue sharing	1,157,604	1,109,982	1,158,749	1,170,693	1,243,130	1,134,958	1,276,949	1,378,296	1,411,285	1,370,847
Grants and contributions not restricted to specific programs	-	-	-	-	1,639	-	-	-	-	21,397
Unrestricted investment earnings	21,778	48,438	76,561	95,313	146,429	(85,633)	340,398	664,200	825,776	302,899
Gain / (loss) on sale of capital assets	-	11,732	(37,708)	30,918	24,693	149,744	-	236,061	25,885	(54,221)
Transfers	1,369,394	1,800	(40,416)	(658,074)	(1,820,411)	(104,160)	(486,751)	(135,813)	(54,758)	(561,305)
Total government activities revenues	<u>21,778,940</u>	<u>18,666,146</u>	<u>18,760,081</u>	<u>19,026,083</u>	<u>19,206,879</u>	<u>23,594,712</u>	<u>22,859,440</u>	<u>24,346,687</u>	<u>23,707,036</u>	<u>21,140,418</u>
Business type activities:										
Unrestricted investment earnings	121,671	55,609	77,763	78,508	143,825	(43,434)	521,255	614,206	332,637	415,439
Gain (loss) on sale of capital assets	-	9,179	4,495	-	371	1,855	-	5,784	-	(25,215)
Transfers	(1,369,394)	(1,800)	40,416	658,074	1,820,411	104,160	486,751	135,813	54,758	561,305
Total business type activities	<u>(1,247,723)</u>	<u>62,988</u>	<u>122,674</u>	<u>736,582</u>	<u>1,964,607</u>	<u>62,581</u>	<u>1,008,006</u>	<u>755,803</u>	<u>387,395</u>	<u>951,529</u>
Total primary government revenues	<u>\$20,531,217</u>	<u>\$18,729,134</u>	<u>\$18,882,755</u>	<u>\$19,762,665</u>	<u>\$21,171,486</u>	<u>\$23,657,293</u>	<u>\$23,867,446</u>	<u>\$25,102,490</u>	<u>\$24,094,431</u>	<u>\$22,091,947</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 9,277,620	\$ 33,313	\$ (124,911)	\$ (1,073,949)	\$ (483,488)	\$ 10,227,285	\$ 890,122	\$ 4,604,241	\$ 4,916,584	\$ 3,916,078
Business type activities	(914,580)	(170,377)	3,245,503	645,243	2,403,394	(1,530,356)	53,731	(1,299,433)	(1,016,141)	(1,558,182)
Total primary government	<u>\$ 8,363,040</u>	<u>\$ (137,064)</u>	<u>\$ 3,120,592</u>	<u>\$ (428,706)</u>	<u>\$ 1,919,906</u>	<u>\$ 8,696,929</u>	<u>\$ 943,853</u>	<u>\$ 3,304,808</u>	<u>\$ 3,900,443</u>	<u>\$ 2,357,896</u>

City of Dunedin, Florida
General Governmental Tax Revenues By Source
Last Ten Fiscal Years

Fiscal Year	Property	Franchise	Utility Service	Total
2005	\$ 7,662,303	\$ 2,222,492	\$ 4,095,884	\$ 13,980,679
2006	8,844,774	2,618,432	4,253,827	15,717,033
2007	9,982,922	2,600,247	4,273,255	16,856,424
2008	9,212,358	2,474,338	4,248,062	15,934,758
2009	8,364,594	2,811,613	4,713,985	15,890,192
2010	7,277,630	2,935,741	4,807,075	15,020,446
2011	6,540,293	2,707,724	4,534,665	13,782,682
2012	6,096,273	2,541,409	4,208,418	12,846,100
2013	5,767,080	2,371,745	4,223,089	12,361,914
2014	6,569,073	2,624,822	4,446,105	13,640,000

City of Dunedin, Florida
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2009	2008	2007	2006	2005
General fund:						
Reserved	\$ 1,071,515	\$ 571,004	\$ 1,542,808	\$ 1,547,748	\$ 1,172,899	\$ 1,186,618
Unreserved	7,658,106	7,470,489	6,392,564	7,039,453	7,382,400	6,657,589
Total general fund	<u>\$ 8,729,621</u>	<u>\$ 8,041,493</u>	<u>\$ 7,935,372</u>	<u>\$ 8,587,201</u>	<u>\$ 8,555,299</u>	<u>\$ 7,844,207</u>
All other governmental funds:						
Reserved, reported in:						
Special revenue funds	\$ 525,082	\$ 15,319	\$ 334,605	\$ 3,193,297	\$ 54,685	\$ 1,170,995
Capital projects funds	562,702	279,355	27,410	154,142	423,505	10,362,798
Unreserved, reported in:						
Special revenue funds	2,546,222	5,915,014	4,417,004	998,488	7,473,489	4,676,052
Capital projects funds	707,512	667,991	911,711	814,596	3,545,504	1,393,716
Total all other governmental funds	<u>\$ 4,341,518</u>	<u>\$ 6,877,679</u>	<u>\$ 5,690,730</u>	<u>\$ 5,160,523</u>	<u>\$ 11,497,183</u>	<u>\$ 17,603,561</u>
	2014	2013	2012	2011	2010	
General fund:						
Nonspendable	\$ 216,896	\$ 11,052	\$ 22,670	\$ 15,275	\$ 255,599	
Restricted	352,473	585,458	567,305	627,388	612,627	
Assigned	65,447	115,416	242,303	2,020,923	562,133	
Unassigned	3,217,422	3,097,698	3,944,684	4,984,151	7,302,058	
Total general fund	<u>\$ 4,080,656</u>	<u>\$ 3,809,624</u>	<u>\$ 4,776,962</u>	<u>\$ 7,647,737</u>	<u>\$ 8,732,417</u>	
All other governmental funds:						
Nonspendable	\$ 4,899	\$ -	\$ -	\$ 742	\$ 59,076	
Restricted	4,483,221	3,839,145	3,379,423	2,681,888	3,782,026	
Committed	328,405	237,177	483,645	603,830	397,793	
Unassigned	-	23,155	-	-	99,827	
Total all other governmental funds	<u>\$ 4,816,525</u>	<u>\$ 4,099,477</u>	<u>\$ 3,863,068</u>	<u>\$ 3,286,460</u>	<u>\$ 4,338,722</u>	

Note: GASB 34 implemented in FY 2002.
GASB 54 adopted in FY 2011; FY 2010 data was restated for GASB 54 comparable presentation
Dunedin Historical Society and Dunedin Fine Arts Center were added to the General Fund for FY 2010 for GASB 54 comparable presentation

City of Dunedin, Florida
Change in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
REVENUES										
Taxes	\$ 13,640,000	\$ 12,361,914	\$ 12,846,100	\$ 13,782,682	\$ 15,020,446	\$ 15,890,192	\$ 15,934,758	\$ 16,856,424	\$ 15,717,033	\$ 13,980,679
Licenses, fees and permits	941,721	863,480	971,988	754,756	732,845	445,622	491,412	561,566	840,240	962,809
Intergovernmental	8,607,752	7,980,907	7,519,245	7,429,830	8,251,620	18,955,257	8,971,822	8,026,149	8,824,756	10,444,576
Charges for services	5,537,719	5,593,634	5,621,731	5,393,724	5,369,511	5,679,455	5,558,004	5,236,041	5,066,509	4,825,858
Fines and forfeits	378,643	497,113	178,739	220,901	119,427	184,190	210,618	220,350	229,994	176,260
Interest earnings	14,659	22,547	47,478	77,993	122,088	(64,719)	338,180	729,396	1,069,178	419,102
Miscellaneous	700,638	988,659	592,798	702,380	735,251	556,292	880,385	726,037	889,520	1,563,088
Total revenues	29,821,132	28,308,254	27,778,079	28,362,266	30,351,188	41,646,289	32,385,179	32,355,963	32,637,230	32,372,372
EXPENDITURES										
General government	4,366,316	3,939,915	2,975,639	3,026,559	3,273,169	3,543,512	3,661,825	3,629,824	3,598,907	3,241,021
Public safety	10,175,544	9,927,788	11,182,563	11,252,343	11,781,242	11,876,309	11,653,936	11,395,437	10,741,490	10,533,630
Physical environment	-	-	-	-	-	-	825	869	650	834
Transportation	1,694,823	1,616,462	1,543,624	1,656,767	1,785,106	1,869,700	1,957,496	2,173,323	1,905,992	1,992,043
Economic development	448,045	398,917	445,600	409,780	466,280	394,828	323,734	87,537	58,935	88,207
Culture and recreation	8,304,517	8,013,764	7,728,248	7,329,256	7,934,753	8,126,402	8,670,406	9,028,183	8,020,637	7,781,134
Capital outlay	2,718,624	2,779,744	2,476,284	3,624,709	4,198,061	11,924,208	2,794,170	6,832,634	13,930,227	3,989,158
Aids and grants	287,472	286,677	186,329	211,860	166,233	515,203	170,801	75,100	80,000	17,232
Debt service:										
Principal	1,394,636	1,410,650	1,424,928	1,584,307	1,297,789	2,356,923	1,668,241	4,428,527	2,252,986	2,877,448
Interest	343,697	540,297	610,170	680,752	741,855	835,723	887,607	989,180	937,599	772,714
Total expenditures	29,733,674	28,914,214	28,573,386	25,939,764	31,644,488	41,442,808	31,789,041	38,640,614	41,527,423	31,293,421
Excess of revenues over expenditures	87,458	(605,960)	(795,307)	2,422,502	(1,293,300)	203,481	596,138	(6,284,651)	(8,890,193)	1,078,951
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	25,817	8,683	-	-	-	1,181,800	-	230,507	-	-
Debt proceeds	-	104,138	-	-	-	-	-	-	3,900,000	9,784,806
Transfers in	2,697,443	1,370,702	3,258,292	1,696,012	2,405,836	3,870,555	5,028,788	2,500,023	2,292,929	1,434,793
Transfers out	(1,822,638)	(1,608,492)	(4,757,152)	(2,418,887)	(3,259,235)	(3,962,516)	(5,746,548)	(2,750,637)	(2,698,022)	(2,257,455)
Total other financing sources (uses)	900,622	(124,969)	(1,498,860)	(4,559,444)	(853,399)	1,089,839	(717,760)	(20,107)	3,494,907	8,962,144
Net change in fund balances	\$ 988,081	\$ (730,928)	\$ (2,294,166)	\$ (2,136,942)	\$ (2,146,699)	\$ 1,293,320	\$ (121,622)	\$ (6,304,758)	\$ (5,395,286)	\$ 10,041,095
Debt service as a percentage of noncapital expenditures	6.4%	7.5%	7.7%	6.5%	5.0%	8.8%	6.1%	16.2%	8.9%	11.8%

City of Dunedin, Florida
General Governmental Expenditures and Transfers by Function¹
Last Ten Fiscal Years²

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Economic Development	Culture and Recreation	Capital Outlay	Debt Service	Transfers Out	Other	Total
2005	\$ 3,241,021	\$ 10,533,630	\$ 834	\$ 1,992,043	\$ 88,207	\$ 7,781,134	\$ 3,989,158	\$ 3,650,162	\$ 2,257,455	\$ 17,232	\$ 33,550,876
2006	3,598,907	10,741,490	650	1,905,992	58,935	8,020,637	13,930,227	3,190,585	2,698,022	80,000	44,225,445
2007	3,629,824	11,395,437	869	2,173,323	87,537	9,028,183	6,832,634	5,417,707	2,750,637	75,100	41,391,251
2008	3,661,825	11,653,936	825	1,957,496	323,734	8,670,406	2,794,170	2,555,848	5,746,548	170,801	37,535,589
2009	3,543,512	11,876,309	-	1,869,700	394,828	8,126,402	11,924,208	3,192,646	3,962,516	515,203	45,405,324
2010	3,273,169	11,781,242	-	1,785,106	466,280	7,934,753	4,198,061	2,039,644	3,259,235	166,233	34,903,723
2011	3,026,559	11,252,343	-	1,656,767	409,780	7,329,256	3,624,709	2,265,059	2,418,887	211,860	32,195,220
2012	2,975,639	11,182,563	-	1,543,624	445,600	7,728,248	2,476,284	2,035,098	4,757,152	186,329	33,330,538
2013	3,939,915	9,927,788	-	1,616,462	398,917	8,013,764	2,779,744	1,950,947	1,608,492	286,677	30,522,706
2014	4,366,316	10,175,544	-	1,694,823	448,045	8,304,517	2,718,624	1,738,333	1,822,638	287,472	31,556,312

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Prior years were for general fund only. Values have been restated to include all governmental funds.
Restatement also includes previously classified fiduciary trust funds reclassified to special revenue funds.

Revenue Capacity

City of Dunedin, Florida
Taxable Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

FY Ended Sept 30,	Real Property					Total Taxable Assessed Value	Total Direct Tax Rate ²	Estimated Actual Market Value ³	Taxable Assessed Value as a % of Actual Value
	Residential Property	Commercial Property	Industrial Property	Other Property ¹	Personal Property				
2005	\$ 1,363,160,900	\$ 223,925,300	\$20,449,600	\$24,658,100	\$ 127,960,240	\$ 1,760,154,140	4.4253	\$2,808,887,675	62.7%
2006	1,579,976,600	241,563,400	23,694,200	28,758,200	123,476,459	1,997,468,859	4.4253	3,233,337,399	61.8%
2007	1,870,050,313	310,996,460	27,036,900	34,806,491	102,039,260	2,344,929,424	4.0934	3,955,244,190	59.3%
2008	2,055,969,822	321,438,745	27,796,700	41,619,755	106,309,880	2,553,134,902	3.5597	4,211,355,400	60.6%
2009	1,813,363,664	351,142,490	28,083,500	37,006,566	89,119,848	2,318,716,068	3.5597	3,921,795,310	59.1%
2010	1,570,371,303	280,821,157	26,056,165	59,651,262	86,727,617	2,023,627,504	3.5597	3,278,182,101	61.7%
2011	1,424,191,373	249,278,430	22,754,140	49,882,330	81,301,215	1,827,407,488	3.5597	2,884,900,277	63.3%
2012	1,395,841,673	238,010,568	21,718,717	39,462,381	76,782,855	1,771,816,194	3.3817	2,742,388,004	64.6%
2013	1,344,271,312	231,166,397	21,212,491	44,261,605	78,233,683	1,719,145,488	3.3817	2,609,865,581	65.9%
2014	1,384,844,153	236,587,023	21,953,609	33,279,232	82,734,943	1,759,398,960	3.7345	2,675,288,098	65.8%
Change 2013 - 2014	3.02%	2.34%	3.49%	-24.81%	5.75%	2.34%	10.43%	2.51%	

(1) Other Property includes Agricultural, Institutional, Government, Leasehold Interests, Miscellaneous, and Non-Agriculture Acreage

(2) City of Dunedin tax rates per \$1,000 of assessed value

(3) "Just Value" as determined by the Pinellas County Property Appraiser

Source: Pinellas County Property Appraiser

**City of Dunedin, Florida
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	City Direct Rate¹	Overlapping Rates					TOTAL
		County Wide²	School	Transit District³	EMS³	Other Districts⁴	
2005	4.4253	6.1410	8.1220	0.6377	0.6600	1.6557	21.6417
2006	4.4253	6.1410	8.3900	0.6377	0.6600	1.6555	21.9095
2007	4.0934	5.4700	8.2100	0.6074	0.6300	1.6378	20.6486
2008	3.5597	4.8730	7.7310	0.5601	0.5832	0.3866	17.6936
2009	3.5597	4.8730	8.0610	0.5601	0.5832	1.5551	19.1921
2010	3.5597	4.8730	8.3460	0.5601	0.5832	1.5106	19.4326
2011	3.5597	4.8730	8.3400	0.5601	0.5832	1.4410	19.3570
2012	3.3817	4.8730	8.3850	0.7305	0.8506	1.2390	19.4598
2013	3.3817	5.0727	8.3020	0.7305	0.9158	1.3034	19.7061
2014	3.7345	5.3377	8.0600	0.7305	0.9158	1.2959	20.0744

(1) There are no separate components to this direct rate

(2) County Wide includes:

General Fund	5.2755
Health Department	0.0622
	<u>5.3377</u>

(3) Emergency Medical Services (EMS) and Transit District are assessed on Real Property only

(4) Other Districts includes:

Pinellas County Planning Council	0.0160
Juvenile Welfare Board	0.8981
Southwest Florida Water Management	0.3818
	<u>1.2959</u>

Source: Pinellas County Property Appraiser

**City of Dunedin, Florida
Principal Property Taxpayers
Current Year and Ten Years Ago**

Taxpayer	September 30, 2014			September 30, 2004		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Mac Alpine Place Apt.	\$ 36,893,096	1	2.10%	\$ 26,200,000	1	1.63%
Chesapeake Apartments	15,650,000	2	0.89%	12,470,000	2	0.78%
Publix Super Markets Inc	9,280,000	3	0.53%	6,500,000	8	0.40%
M H C Lake Haven LLC	9,236,491	4	0.52%			
M1 Marina Co	8,724,376	5	0.50%			
P X Granada Plaza LP	8,600,000	6	0.49%			
P B H Logarto LLC	7,950,000	7	0.45%			
Scottish Towers II Apt LTD Partnership	7,525,000	8	0.43%			
SES Group-Windemere LTD	7,088,058	9	0.40%			
Coca-Cola Co Inc	6,910,168	10	0.39%	6,487,500	9	0.40%
Nielson Media Research, Inc.				9,800,000	3	0.61%
Orangeland Vistas, Inc.				9,533,200	4	0.59%
Lessor, Jason K.				8,280,000	5	0.52%
Doheny-Vidovich Partners				6,634,000	6	0.41%
Dallas Corporate Square				6,600,000	7	0.41%
Olympia Development Group				6,000,000	10	0.37%
SUB-TOTAL:	117,857,189		6.70%	98,504,700		6.12%
ALL OTHERS:	1,641,541,771		93.30%	1,509,197,260		93.88%
TOTAL:	\$ 1,759,398,960		100.00%	\$ 1,607,701,960		100.00%

Source: Pinellas County Property Appraiser

**City of Dunedin, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years**

FY Ended Sept 30,	Taxable Assessed Valuation	Millage Tax Rate	Total Tax Levy	Collected within the Fiscal Year of the Levy		Delinquent Collections ²	Total Collections to Date	
				Amount ¹	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 1,760,154,140	4.4253	\$7,789,210	\$7,299,459	93.7%	\$ 16,863	\$ 7,316,322	93.9%
2006	1,997,468,859	4.4253	8,839,399	8,347,924	94.4%	7,773	8,355,697	94.5%
2007	2,344,929,424	4.0934	9,598,734	9,016,741	93.9%	11,716	9,028,457	94.1%
2008	2,553,134,902	3.5597	9,088,394	8,075,170	88.9%	439,190	8,514,360	93.7%
2009*	2,318,716,068	3.5597	8,253,934	7,731,980	93.7%	22,968	7,754,948	94.0%
2010	2,023,627,504	3.5597	7,203,507	6,763,013	93.9%	21,039	6,784,052	94.2%
2011	1,827,407,488	3.5597	6,505,022	6,111,943	94.0%	14,636	6,126,579	94.2%
2012	1,771,816,194	3.3817	5,991,747	5,723,281	95.5%	119	5,723,400	95.5%
2013	1,719,145,488	3.3817	5,813,631	5,269,249	90.6%	134,104	5,403,353	92.9%
2014	1,759,398,960	3.7345	6,570,474	6,035,872	91.9%	140,809	6,176,681	94.0%

* 2009 Tax Levy revised from 9,304,361 to 8,253,934 to reflect final property tax rolls.

(1) These amounts are net of discounts taken. Discounts are allowed for early payment:

4% for November, 3% for December, 2% for January, and 1% for February

(2) This column represents delinquent collections received that fiscal year

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Debt Capacity

City of Dunedin, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business Type Activities	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Revenue Bonds	Capital Leases	Water / Sewer & Stormwater Bonds			
2005	\$ 24,151,757	\$ 1,651,020	\$ 14,727,981	\$ 40,530,758	3.03%	\$ 1,083
2006	22,968,165	911,361	14,005,615	37,885,141	2.64%	1,008
2007	21,411,326	1,387,855	28,252,680	51,051,861	4.82%	1,356
2008	19,730,418	1,312,117	26,843,018	47,885,553	4.57%	1,275
2009	17,373,495	1,953,199	24,693,131	44,019,825	4.68%	1,223
2010	16,075,706	1,663,588	23,845,710	41,585,004	4.18%	1,177
2011	14,491,400	2,174,240	20,842,993	37,508,633	3.80%	1,053
2012	13,066,481	1,085,706	23,776,000	37,928,187	3.93%	1,076
2013	11,759,958	717,261	23,776,000	36,253,220	3.76%	1,029
2014	11,645,322	415,177	22,876,000	34,936,499	3.31%	979

(1) See the schedule of Demographic and Economic Statistics for personal income and population data

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

City of Dunedin, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2014

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE¹	ESTIMATED SHARE OF OVERLAPPING DEBT
Overlapping debt:			
Pinellas County	\$ 8,830,012		
Pinellas County School Board	\$ 19,075,000		
Total overlapping debt	\$ 27,905,012	3.140%	\$ 876,217
City of Dunedin direct debt			<u>\$ 12,060,499</u>
Total direct and overlapping debt			<u><u>\$ 12,936,716</u></u>

(1) Applicable net debt percentage is based on ratio of City to County taxable values

City Taxable Value: \$ 1,759,398,960

County Taxable Value: \$ 56,092,698,300

Sources: Assessed value used to estimate applicable percentages provided by the Pinellas County Property Appraiser.
Debt outstanding data provided by Pinellas County School Board.

**City of Dunedin, Florida
Revenue Bond Coverage
Water and Sewer Revenue Bonds
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³	Coverage Ratio
2005	\$ 15,078,269	\$ 11,728,757	\$ 3,349,512	\$ 1,924,713	1.74
2006	16,012,925	12,115,834	3,897,091	1,944,756	2.00
2007	16,828,565	12,821,283	4,007,282	1,949,609	2.06
2008	18,397,808	13,239,576	5,158,232	2,465,204	2.09
2009	17,227,189	13,989,999	3,237,190	2,583,954	1.25
2010	17,454,334	12,481,590	4,972,744	2,457,283	2.02
2011	18,133,758	12,945,494	5,188,264	2,486,758	2.09
2012	16,879,645	10,925,824	5,417,161	2,605,576	2.08
2013	15,475,054	11,028,345	4,446,709	495,803 ⁴	8.97
2014	15,244,674	11,248,564	3,996,110	1,891,887	2.11

(1) Total revenues (including investment income), exclusive of impact fees and capital grant revenue.

(2) Operating expenses are the costs of operation and maintenance of the system, exclusive of depreciation.

(3) Includes principal and interest of water and sewer revenue bonds and debt issued in parity with the water and sewer revenue bonds.

(4) FY 2013 debt service included interest-only payments.

**City of Dunedin, Florida
Revenue Bond Coverage
Stormwater Revenue Bonds**

Fiscal Year	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³	Coverage Ratio
2012	\$ 2,707,168	\$ 1,298,022	\$ 1,409,146	\$ 225,513	6.25
2013	2,938,635	1,464,095	1,474,540	186,189 ⁴	7.92
2014	2,964,128	1,443,056	1,521,072	446,308	3.41

(1) Total revenues (including investment income), exclusive of impact fees and capital grant revenue.

(2) Operating expenses are the costs of operation and maintenance of the system, exclusive of depreciation.

(3) Includes principal and interest of stormwater revenue bonds and debt issued in parity with the stormwater revenue bonds.

(4) FY 2013 debt service included interest-only payments.

**City of Dunedin, Florida
Schedule of Debt Service Ratio**

Description	Actual September 30 2014	Adopted Budget September 30 2014	Adopted Budget September 30 2015
Total Governmental Revenues	\$ 29,821,132	\$ 31,520,257	\$ 31,464,807
Internal Service Revenues:			
Rental Income	26,959	25,632	26,872
Non-Operating:			
Investment earnings	7,119	63,522	18,792
Total Internal Services Revenues	34,078	89,154	45,664
Total Annual Revenues - September 30	<u>\$ 29,855,210</u>	<u>\$ 31,609,411</u>	<u>\$ 31,510,471</u>
Total Annual General Government Debt Service exclusive of Enterprise Funds, Internal Service Funds and Special Assessment Debt Service	<u>\$ 1,737,511</u>	<u>\$ 1,724,316</u>	<u>\$ 1,823,524</u>
Debt Service Ratio	<u>5.82%</u>	<u>5.46%</u>	<u>5.79%</u>
Total Capacity Debt Service (12.5%)	\$ 3,731,901	\$ 3,951,176	\$ 3,938,809
Less: Current Debt Service	1,737,511	1,724,316	1,823,524
Excess Debt Service Available	<u>\$ 1,994,390</u>	<u>\$ 2,226,860</u>	<u>\$ 2,115,285</u>
Excess Outstanding Debt Service Available			
10 Years	\$ 17,143,729	\$ 19,142,037	\$ 18,182,936
20 Years	30,087,830	33,594,927	31,911,674

City of Dunedin, Florida
Schedule of Total Annual General Government Debt Service
Last Two Fiscal Years plus Next Year

Debt Description	September 30 2013	September 30 2014	Adopted Budget September 30 2015
Community Center \$10M Series 2005	\$ 721,188	\$ 721,581	\$ 713,234
Spring Training Facilities \$12M Series 2001 Revenue Note	5,277,990 ¹	-	-
Spring Training Facilities \$5.2M Series 2012 Revenue Note	835,612	1,002,753	1,001,642
Fire Station 61 \$1.28M Series 2013 Non Ad Valorem Note	-	13,177	108,648
Palm Boulevard Resurfacing \$944K Series 2002	111,580	-	-
Total Annual General Government Debt Service	<u>\$ 6,946,370</u>	<u>\$ 1,737,511</u>	<u>\$ 1,823,524</u>

(1) Includes principal refunded in the amount of \$5,139,862.

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Demographic and Economic Information

**City of Dunedin, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population ¹	Personal Income ²	Per Capita Income ³	Median Age ⁴	Unemployment Rate ⁵
2005	37,426	\$ 1,246,884,616	\$ 33,316	44.0	3.7%
2006	37,574	1,337,897,418	35,607	44.2	3.1%
2007	37,662	1,434,357,270	38,085	43.0	3.8%
2008	37,561	1,060,084,103	28,223	48.2	6.2%
2009	35,988	1,046,998,884	29,093	47.6	10.2%
2010	35,920	941,463,200	26,210	48.2	11.3%
2011	35,321	995,875,595	28,195	51.3	10.2%
2012	35,629	987,208,332	27,708	51.1	8.2%
2013	35,247	964,216,932	27,356	53.3	6.2%
2014	35,690	1,054,032,770	29,533	51.8	5.8%

Data Source:

- (1) FY 2005-2010,2014: City-data.com; FY 2011: 2010 US Census; FY 2012-2013: Pinellas Co. Economic Development
- (2) Calculated using the above displayed Population and Per Capita Income figures
- (3) FY 2005-2010: City-data.com; FY 2011, FY2014: US Census Results; FY 2012: Pinellas Co. Economic Development
- (4) FY 2005-2010: Muninetguide.com; FY 2011,FY2014: US Census; FY 2012-FY2013: Pinellas Co. Economic Development
- (5) Bureau of Labor Statistics; Not Seasonally Adjusted; FY 2014 unemployment rate shown as of September 30, 2014

**City of Dunedin, Florida
Principal Employers ¹
Current Year and Eight Years Ago**

Employer	September 30, 2014			September 30, 2006 ³		
	Employees	Rank	Percentage of Total City Employment ²	Employees	Rank	Percentage of Total City Employment ²
Pinellas School System	618	1	3.85%	556	3	3.33%
Mease Dunedin Hospital	563	2	3.51%	697	2	4.18%
Publix	370	3	2.31%			
City of Dunedin	372	4	2.32%	402	4	2.41%
Mease Manor	300	5	1.87%	306	5	1.83%
Achieva Credit Union	169	6	1.05%	220	6	1.32%
Coca-Cola North America	168	7	1.05%			
Pinellas County Sheriff - N District	174	8	1.09%			
Consumer Sales Solutions	160	9	1.00%			
Wal-Mart Neighborhood Market	107	10	0.67%			
Nielsen Media Research	-			1,296	1	7.77%
TOTAL	2,734		18.72%	2,181		13.07%

(1) Source: Community Services Department

(2) Employment statistics are from the Bureau of Labor Statistics for the City of Dunedin (Not Seasonally Adjusted)

Total employment for 2014 16,034 at September 30, 2014

Total employment for 2006 16,685

(3) Data not available prior to 2006

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Operating Information

City of Dunedin, Florida
Full-time Equivalent City Government Employees
Last Ten Fiscal Years at September 30

Function	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government	60.470	55.880	52.730	55.500	52.225	55.351	63.351	59.351	59.851	57.851
Public Safety										
Fire	22.000	22.000	22.000	22.000	22.000	22.000	22.000	23.000	20.500	20.500
Paramedics	33.000	33.000	33.000	33.000	33.000	33.000	33.000	33.000	36.000	36.000
Culture and recreation	79.500	77.750	76.000	75.500	82.000	89.000	97.570	96.965	92.965	92.840
Highways and streets										
Engineering	14.500	14.750	15.000	15.500	15.000	16.000	16.000	15.000	15.000	15.000
Maintenance	8.660	8.660	9.670	9.660	9.000	11.000	12.000	16.833	16.833	16.833
Facilities	9.680	9.680	9.680	9.660	12.000	12.000	24.000	23.333	23.333	23.333
Fleet Services	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500
Solid Waste	24.000	24.000	26.000	28.000	28.000	28.000	28.000	28.000	28.000	28.000
Water	30.330	31.000	32.000	32.000	29.000	30.000	30.000	30.000	30.000	30.000
Wastewater	35.330	36.000	36.000	38.000	47.000	47.000	50.000	50.000	50.000	51.000
Stormwater	13.660	12.660	11.670	10.660	10.000	10.000	10.000	10.333	10.333	10.333
TOTAL	339.630	333.880	332.250	337.980	347.725	361.851	394.421	394.315	391.315	390.190

**City of Dunedin, Florida
Operating Indicators by Function
as of September 30**

Function	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fire										
Number of fire emergencies with dollar loss**	69	91	115	108	110	111	704	108	108	175
EMS responses	5,423	5,173	5,138	5,012	4,973	4,895	5,372	5,472	5,472	4,804
Other calls	1,639	1,739	1,372	1,462	1,988	1,816	384	1,295	1,295	2,443
Inspections	1,097	1,279	1,396	1,509	1,596	1,484	1,376	1,007	1,007	977
Investigations	26	20	97	88	108	77	55	71	71	69
Highways and streets										
Streets paved (miles)	130	130	130	130	130	130	130	130	130	*
Streets unimproved (miles)	3	3	3	3	3	3	3	3	3	*
Street lights	3,918	3,568	3,568	3,568	3,568	3,568	3,568	3,568	3,540	3,463
Culture and recreation ***										
Recreation facilities - parks (acres)	240	240	322	322	322	322	322	322	322	322
Recreation facilities - specialty facilities (acres)	206	201	*	*	*	*	*	*	*	*
Recreation facilities - beaches (acres)	37	37	37	37	37	37	37	37	37	*
Library materials	158,566	141,734	135,945	139,623	146,909	131,098	128,977	147,444	136,350	134,824
Library annual circulation	549,885	590,323	632,382	656,507	600,951	483,303	443,157	434,678	412,569	423,650
Library registered borrowers	32,716	31,454	29,756	26,439	29,735	27,477	32,858	29,994	17,302	26,612
Solid waste										
Customers serviced	14,536	14,442	14,453	14,473	14,492	14,596	14,546	14,496	14,390	14,116
Refuse / recycling collected (tons)	35,366	34,929	35,618	38,425	40,656	41,053	45,796	45,100	51,414	55,651
Water										
Total connections - regular	11,361	11,331	11,435	10,958	10,894	11,536	11,394	11,363	11,363	11,231
Total connections - reclaimed	3,554	3,549	3,395	3,396	3,395	3,343	3,323	3,383	3,233	3,233
Average daily consumption (Gallons) - regular	3,605,000	3,400,000	3,514,000	3,020,000	3,256,000	3,269,000	3,396,000	3,546,000	3,616,000	3,784,000
Average daily consumption (Gallons) - reclaimed	2,590,000	2,800,000	2,850,000	2,670,000	2,600,000	2,800,000	3,139,000	3,269,000	3,173,000	2,584,000
Operating wells	27	27	26	22	*	26	26	26	26	27
Sewer (wastewater)										
Miles of sanitary sewers	128	128	128	128	128	128	128	128	128	180
Average daily sewage treatment (Gallons)	4,232,000	4,100,000	4,370,000	4,390,000	4,596,000	4,613,000	4,382,000	4,382,000	4,900,000	4,966,000

* Information not available

** As of 2011, description changed from "Number of calls answered" to "Number of fire emergencies with dollar loss" to clarify reported statistics

*** As of 2013, recreation facilities are divided into three categories instead of two. Prior years data not available for the new "specialty facilities" category.

City of Dunedin, Florida
Capital Asset and Facility Statistics by Function
as of September 30

Function	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Culture and recreation										
Baseball fields	10	10	12	12	12	12	12	12	12	12
Baseball stadium / training facility (seating capacity	5,509	5,509	5,509	5,509	5,509	5,509	5,509	5,509	5,500	*
Basketball - indoor courts	1	1	1	1	1	1	1	1	1	
Basketball - outdoor courts	5	5	5	5	5	5	5	5	5	5
Community center	1	1	1	1	1	1	1	1	1	*
Fishing areas	15	15	15	15	15	15	14	14	7	*
Golf courses	2	2	2	2	2	2	2	2	2	*
Library	2	2	2	2	2	2	2	1	1	*
Marina (slips)	183	194	194	194	194	194	194	194	194	*
Multi- purpose indoor court	1	1	1	1	1	1	1	1	1	*
Nature center	1	1	1	1	1	1	1	1	1	*
Parks **	31	31	32	32	31	31	30	30	22	22
Picnic areas	15	15	15	15	15	15	15	15	7	*
Public boat ramps	1	1	1	1	1	1	1	1	1	*
Recreation centers	3	3	3	3	3	3	3	3	3	*
Senior center	1	1	1	1	1	1	1	1	1	*
Soccer / football fields	4	4	4	4	4	4	4	4	4	*
Softball fields	5	5	3	3	3	3	3	3	3	*
State and county parks	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	11	11	11	11	11	11	11	11	11	*
Utility playfields	4	4	4	4	4	4	4	4	4	*
Water										
Water mains (miles)	172	172	172	172	172	172	172	172	166	*
Water plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	1,238	1,236	1,220	1,220	1,220	1,220	1,220	1,206	1,185	*
Sewer (wastewater)										
Mains	150	150	150	150	150	150	150	149	165	*
Lift stations	43	43	42	42	42	42	42	42	42	*
Treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers (miles)	128	128	128	128	128	128	128	128	128	180

* Information not available

** FY 2013: Former Dunedin Youth Guild Park combined with Hammock Park

CITY OF DUNEDIN, FLORIDA
SINGLE AUDIT AND OTHER AUDITOR REPORTS
YEAR ENDED SEPTEMBER 30, 2014



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dunedin, Florida (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 30, 2015. Our report includes a reference to other auditors who audited the financial statements of the City's Municipal Firefighters' Pension Trust Fund, as described in our report on the City's financial statements. The financial statements of the City's Municipal Firefighters' Pension Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

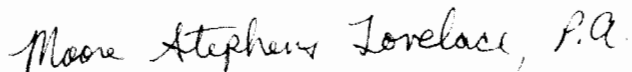
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, 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*.

We noted certain matters that we reported to management of the City in a separate letter dated March 30, 2015.

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.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE REQUIRED BY CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL***

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

Report on Compliance for Each Major State Project

We have audited the compliance of the City of Dunedin, Florida (the "City") with the types of compliance requirements described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the major state projects for the year ended September 30, 2014. The City's state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Chapter 10.550, *Rules of the Auditor General*. Those standards and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2014.

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 30, 2015, which contained unmodified opinions on those financial statements. Our report on the basic financial statements also contained a reference to the report of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statement. The accompanying schedule of expenditures of state financial assistance is presented for the purposes of additional analysis, as required by Chapter 691-5, *Schedule of Expenditures of State Financial Assistance*, *Rules of the Department of Financial Services*, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

Report on Schedule of Expenditures of State Financial Assistance (Continued)

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

CITY OF DUNEDIN, FLORIDA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For The Year Ended September 30, 2014

<u>Agency/State Project</u>	<u>CSFA #</u>	<u>Grant #</u>	<u>Total Program Expenditures</u>
Florida Department of Revenue Facilities for New Professional Sports, Retained Professional Sports or Retained Spring Training Franchise (Toronto Blue Jays Stadium)	73.016	08-CT-C1-07-F7-J1-097	\$ 500,004
Florida Department of Transportation Remove, reconstruct, and construct area of S.R. 580 from west of Douglas Avenue to east of Martin Luther King, Jr. Avenue	55.023	AR055	134,188
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 634,192</u>

NOTE 1 Basis of Presentation

The Schedule of Expenditures of State Financial Assistance includes the state grant activity of the City of Dunedin, Florida, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 215.97, Florida Statutes; and Rule 69I-5.003 (1)(f). Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

CITY OF DUNEDIN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

- | | | | | |
|---|-------|------------|--------------|----------------------|
| • Material weakness(es) identified? | _____ | Yes | <u> X </u> | No |
| ▪ Significant deficiency(ies) identified? | _____ | Yes | <u> X </u> | None reported |
| Noncompliance material to financial statements noted? | _____ | Yes | <u> X </u> | No |

State Financial Assistance

Internal control over major State projects:

- | | | | | |
|---|-------|------------|--------------|----------------------|
| ▪ Material weakness(es) identified? | _____ | Yes | <u> X </u> | No |
| ▪ Significant deficiency(ies) identified? | _____ | Yes | <u> X </u> | None reported |

Type of auditor's report issued on compliance for major projects:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, *Rules of the Auditor General*?

_____ **Yes** X **No**

Identification of Major State Project:

CSFA Number

73.016

Name of State Project

Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise

Dollar threshold used to distinguish between

Type A and Type B programs:

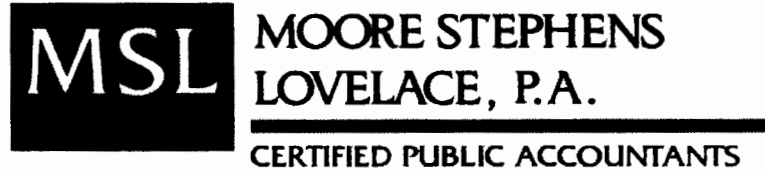
\$190,258

SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT, AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

No matters are reported.

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION

No matters are reported.



INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

We have examined the compliance of the City of Dunedin, Florida (the "City") with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

CITY OF DUNEDIN, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Fiscal Year Ended September 30, 2014

Prior-Year Findings

MLO 2013-001 – Information Technology Assessment

Current Year Status

Corrective action was taken during fiscal year 2014 and the finding was resolved.

MLO 2013-002 – Utility Accounts Receivable Reconciliation

Current Year Status

Corrective action was taken during fiscal year 2014 and the finding was resolved.

MLO 2013-003 – Archived Timecard Approvals

Current Year Status

Corrective action was taken during fiscal year 2014 and the finding was resolved.



**MOORE STEPHENS
LOVELACE, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Dunedin, Florida (the "City") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated March 30, 2015.

Auditor's Responsibility

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

Other Reports and Schedule

We have also issued our 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*, Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of State Financial Assistance Required by Chapter 10.550, *Rules of the Auditor General*, and Schedule of Findings and Questioned Costs, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 30, 2015, 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 annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report except for recurring items noted in Appendix A.

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. The legal authority is disclosed in the notes to the financial statements.

Financial Condition Assessment

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City'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.

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

Annual Financial Report

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we determine whether the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services, pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

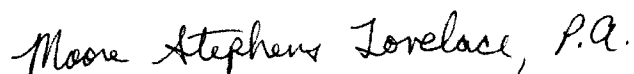
Other Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we noted certain matters, as reported in Appendix A attached hereto. Included in our observations are management's responses, which we did not audit and, accordingly, we express no opinion on them.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address 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 warrants the attention of those charged with governance. In connection with our audit, we did not have 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, the Mayor, City Commission, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

APPENDIX A
CITY OF DUNEDIN, FLORIDA
Current Year Observations, Recommendations and Management Responses
For the Year Ended September 30, 2014

MLO 2013-004 – Municipal Firefighters’ Pension Trust Fund Audit

Observation:

During our review of the Municipal Firefighters’ Pension Trust Fund audit report that was completed by other auditors, it was noted that the audit was not completed in accordance with *Government Auditing Standards*.

Criteria

Florida Statute 175.261 requires Firefighter Pension plans with \$250,000 or more in assets to be audited by an independent certified public accountant, however, an audit in accordance with *Government Auditing Standards* is not required. Although not required by Florida Statutes, we believe that an audit in accordance with *Government Auditing Standards*, which includes testing of internal controls, would benefit the City.

Recommendation

We recommend that the City evaluate the current contract for the Municipal Firefighters’ Pension Trust Fund audit and consider modifying the contract to require the audit to be completed in accordance *Government Auditing Standards*.

Management Response:

The Firefighters’ Pension Fund Board evaluated the costs associated with requiring the audit to be completed in accordance with *Government Auditing Standards*. Since it is not required and based on the cost, the contract will not be modified to include the additional requirement.

MLO 2014-001 – Vulnerability Management Controls

Observation:

During our audit of the City’s financial statements, we performed an assessment of the City’s Information Technology (“IT”) operations and controls. During this assessment, we noted areas which could improve the City’s IT processes, specifically relating to vulnerability scanning and PEN testing. Specific details of this observation are not disclosed in this report to avoid the possibility of compromising City information. However, appropriate City personnel have been notified of our specific findings.

Criteria:

To ensure proper financial accounting and reporting, security of financial information, as well as operational effectiveness, appropriate IT controls should be implemented, maintained, and updated, as necessary, to keep pace with the constantly changing technology environment.

Recommendation:

We recommend that the City evaluate the IT issue noted above and implement cost-effective procedures to ensure the continued security of the City’s IT environment.

Management Response:

We are currently performing internal and external vulnerability scanning utilizing both an online scanning provider and OVAL scanning tools. We are also in the process of evaluating PEN testing services to further reduce the City’s risk of a system compromise. When a PEN testing vendor or procedure is selected it will be based on compliance, personnel, and other resources availability.

APPENDIX A
CITY OF DUNEDIN, FLORIDA
Current Year Observations, Recommendations and Management Responses
For the Year Ended September 30, 2014

MLO 2014-002 – Building Permit Department – Internal Controls

Observation:

During our audit of the City's financial statements, we performed an assessment of the City's internal controls over their cash collection process within their Building Permit department. During this assessment, we noted the following:

- 1) The City's permit system is no longer charging interest penalties for late payments on automatic renewals in accordance with City Ordinances. The interest penalties were believed to have been deactivated during the City's upgrade of the permit system. Additionally, the ability to deactivate this function does not appear to be restricted to only authorized individuals.
- 2) The City's permit system allows for the cashier to utilize a "non-fee" option that can be elected in order to forego payment collections from a customer. This function did not appear to be restricted to only authorized individuals within the Building Permit department. Additionally, there did not appear to be a review process in place to verify this process.

Criteria:

To ensure proper financial accounting and reporting of cash collections.

Recommendation:

We recommend that the City evaluate the system issues noted above and limit access to these system features to authorized individuals only. Additionally, we recommend that the City implement controls to ensure proper review of all transactions associated with the cash collection process.

Management Response:

We are in the process of fully evaluating the controls over the Building Permit department. Where feasible, based on staffing and other resources availability, we will limit access to only allow authorized individuals to modify system settings and transactions and the cash collection process will be updated to include measures to ensure proper review of transactions.