

# DUNEDIN

Home of Honeymoon Island



**City of Dunedin, Florida  
Fiscal Year Ending  
September 30, 2018**

## **Comprehensive Annual Financial Report**

**“Dedicated to Quality Service”**

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# **CITY OF DUNEDIN, FLORIDA**

## ***Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2018***

### **CITY COMMISSION**

**JULIE WARD BUJALSKI**  
Mayor

**JOHN TORNGA**  
Vice Mayor

**DEBORAH KYNES**  
Commissioner

**HEATHER GRACY**  
Commissioner

**MAUREEN "MOE" FREANEY**  
Commissioner

### **CITY MANAGER**

**JENNIFER K. BRAMLEY**

### **FINANCE DIRECTOR**

**LES TYLER**

**PREPARED BY: CITY OF DUNEDIN FINANCE DEPARTMENT**

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**City of Dunedin, Florida**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2018**

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June 4, 2019

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, 2018. 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, 2018 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, 2018. 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 37,000. 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, Stadium Fund, One Cent Sales Tax Fund and the Community Redevelopment Agency Fund, these comparisons are presented on pages 36 - 39 as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, these comparisons are presented on pages 112 - 116.

### ***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, Bay Care Home Care, 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 2018, the City's unemployment was at 2.9 percent and the City's total population was 36,695. The median age was 55.4 years of age, and median household income was \$46,563, based on the most recent census data. Approximately 27.1 percent of Dunedin's residents were of retirement age (65 and over) in 2018. 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 has a very low vacancy rate for office and commercial 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.

The City has experienced four consecutive years of increases in taxable property values. In the two most recent years, total taxable assessed value increased 7.8% and 8.8% in 2017 and 2018 respectively. Ad valorem taxes collected over that same two year period have increased \$606,223 or 7.8% in fiscal year 2017; and \$678,686 or 8.1%, in fiscal year 2018. The increase in property tax revenue is due to higher property values. Property Taxes were 31.2% of the General Fund revenues in fiscal year 2018.

The General Fund's main revenue sources include Property Tax, Utility Taxes, State Revenue Sharing and Half Cent Sales Taxes. In fiscal year 2018 Utility Taxes represent 15.1% of the General Fund's revenue. Utility Taxes have been relatively consistent over the past several years. While State Revenue Sharing and Half Cent Sales Taxes have been trending upward and make up 12.7% of General Fund revenue.

Infrastructure Sales Tax revenues in the One Cent Sales Tax Fund have increased from \$3,715,371 in fiscal year 2017, to \$3,936,776 in fiscal year 2018, an increase of 6.0% or \$221,405. This revenue source represents approximately 11.1% of the Governmental Activities revenue.

Due to its strong local economy, sound fiscal policies, strong management and very strong budget flexibility and liquidity the City of Dunedin's S&P Global Rating was raised in October 2018 from AA to AA+. While maintained a credit rating of Aa2 from Moody's.

### ***Long-term Financial Planning and Major Initiatives***

The City prepares an annual Business Plan which includes initiatives and a six-year Capital Improvements Program (CIP) that includes a long range financial plan (LRFP) for all Funds. The LRFP projects the City's major revenues, operating expenditures, fund balance and capital projects over a rolling six year period. The Business Plan provides information to assess the City's long term financial condition in comparison to the short term focus of the annual operating budget and CAFR.

The City Manager proposes a Business Plan to the City Commission annually and the City Commission approves the final Business Plan during the annual budget process. The Business Plan is an integral part of the City's planning and financial management system, but does not appropriate funds. Projections are updated and the first year's initiatives and capital projects are incorporated into the next operating budget.

The City of Dunedin is projected to remain in good financial condition over the next several years as the economy continues to strengthen over that time. The City's responsible fiscal policies have placed the City in a stronger financial condition which is illustrated by the General Funds unassigned fund balance. At year end, that balance was \$4,158,234 or 67.71% of fund balance, and 15.06% of the fiscal year 2018 adopted operating budget. The goal for unassigned fund balance at year end is to be 15% of the current year's adapted operating budget.

### ***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 continuing effort to incorporate quality controls into the CAFR.

Appreciation is also expressed to Ashley Kimpton and Scott Caterson for preparing year-end journal entries and assisting with the preparation of the financial statements, notes and RSI. Sonya Walling deserves special recognition for assisting with the statistical section and budget reporting throughout the CAFR.

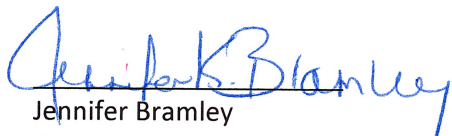
Tanya Hart is commended for accurate recording of all year-end accounts payable and the same to Lori Wagner for reconciling and accurately reporting all accounts receivables especially utility billing. Appreciation is expressed to Chuck Ankney for reconciling and preparing all capital asset reports.

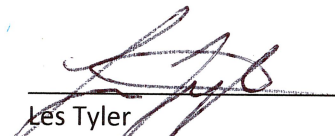
The Director expresses special recognition to the Accounting Manager, Kathy Oster, CPA for coordinating the preparation of the CAFR, year-end closing activities and managing the audit process. Her efforts resulted in the efficient and timely completion of all audit activities.

The City's Auditors, Moore Stephens Lovelace P.A. (MSL) are commended for their professionalism in conducting the audit. MSL's expertise added credibility to contents found within this CAFR.

Last, but certainly not least, we would also like to express our appreciation to the Mayor and the City Commission for their support. With their continued leadership, the City can look forward to a secure financial future.

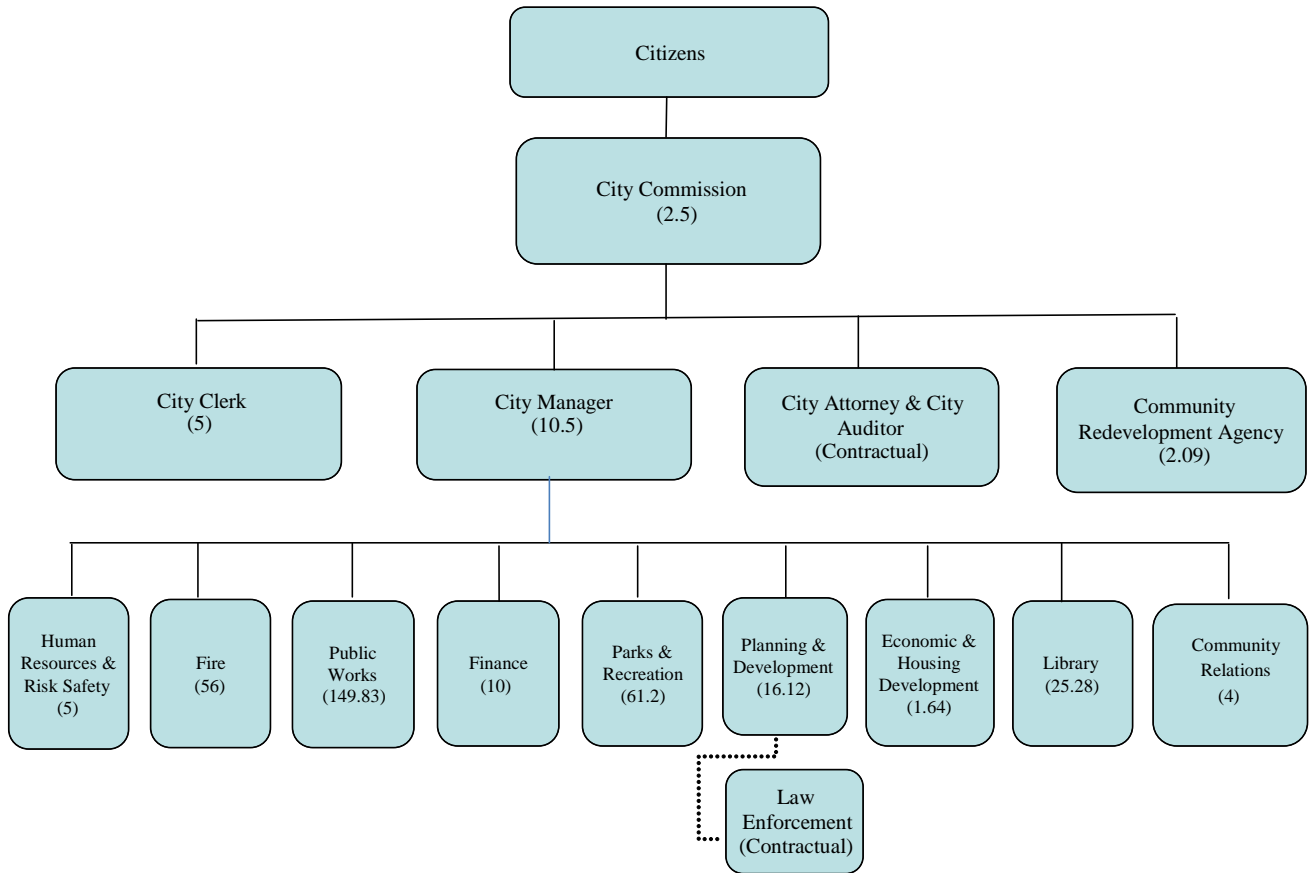
Respectfully submitted,

  
Jennifer Bramley  
City Manager

  
Les Tyler  
Director of Finance



**Authorized FY 2018 Organization Chart with  
Full Time Equivalents (FTEs)**



Total Authorized FTEs as of 9/30/18 = 349.160

**City of Dunedin, Florida**  
**Certificate of Achievement**

For the year ended September 30, 2017

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, 2017.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. 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, 2017**

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

# DUNEDIN

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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, 2018, 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 represents 100% of the assets, net position and total additions 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, 2018, 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**  
*(Continued)*

**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.

*Supplementary 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, statistical section, and The Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill, 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 statement and schedules and The Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill 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, and The Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill 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 June 4, 2019, 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

Tampa, Florida  
June 4, 2019



## 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, 2018. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal.

### Financial Highlights

- The City's assets and deferred outflows of \$197,236,277 exceeded its liabilities and deferred inflows at the close of fiscal year 2018 by \$146,561,368 (*net position*), an increase of \$6,522,908 (4.7%) in net position compared to the prior year balance. This increase is the result of governmental net position increasing \$3,304,791 (4.0%) during the year along with the business-type net position increasing \$3,218,117 (5.6%).
  - Of this net position amount, \$94,945,057 (64.80%) is net investment in capital assets and \$16,572,555 (11.3%) is restricted. The remaining \$35,043,756 (23.9%) represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens, creditors and other agencies.
  - The City restated net position for both governmental and business-type activities in FY 2017. The restatement was a result of the City adopting the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20,504,370 an increase of \$3,470,056 (20.4%) in comparison with the prior year combined ending fund balances. 18.2% of this amount, \$3,740,884 is in *unassigned fund balance*, and therefore available for spending at the City's discretion. The remainder is restricted, committed, or assigned for 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 \$5,875,431, or approximately 20.1% of total general fund expenditures including transfers.
- The City's total outstanding debt decreased by \$2,812,188 (-8.0%) during the current fiscal year. There were no new debt obligations for either Governmental Activities or Business-type Activities during fiscal year 2018. The decreased outstanding debt was a direct result of scheduled debt service payments. Governmental Activities Debt decreased a net total of \$1,158,866 and Debt for Business-type Activities decreased \$1,653,322. These changes are illustrated later in the MD&A in the "Outstanding Debt" table and in the notes to the financial statements concerning long-term liabilities (see Note IV.B., Long-Term Debt). The City issued Bonds in December 2018 that is discussed in the subsequent events section of the notes to the financial statements.

### 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, deferred outflows of resources, liabilities, and deferred inflows of resources, 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, marina operations and downtown parking.

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 29 - 31 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 seven 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 stadium fund, the one cent sales tax fund, and the community redevelopment agency fund, all of which are considered major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. The non-major government funds are the impact fee fund, county gas tax fund and the building code fund. The building code fund, a special revenue fund, was established in fiscal year 2017. 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 and prepares budgetary comparison statements to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 32 - 39 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, marina operations and downtown parking. The parking fund is a new enterprise fund created in fiscal year 2017. *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, self-insurance functions and information technology services. All four 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 four 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 40 - 43 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 46 - 47 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 50 - 97 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 and OPEB funding can be found on pages 100 - 106 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 other supplementary information schedules can be found on pages 112 - 120 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 and deferred outflows (\$197,236,277) exceeded liabilities and deferred inflows (\$50,674,909) by \$146,561,368 as of September 30, 2018.

As illustrated in the table on the next page, the largest portion of the City's net position (66.9%) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, improvements other than buildings, and machinery and equipment). 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 \$16,572,555 or 11.3%, 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 25.8% or \$3,394,970 during the year. The increase is largely due to Capital Contribution received in the Water/Sewer Utility and Stormwater Utility funds of \$3,567,449 in FY 2018

The remaining balance of *unrestricted net position* \$35,043,756 increased by \$1,808,779 or 5.4% during the year, and is used to meet the City's ongoing obligations to citizens and creditors.

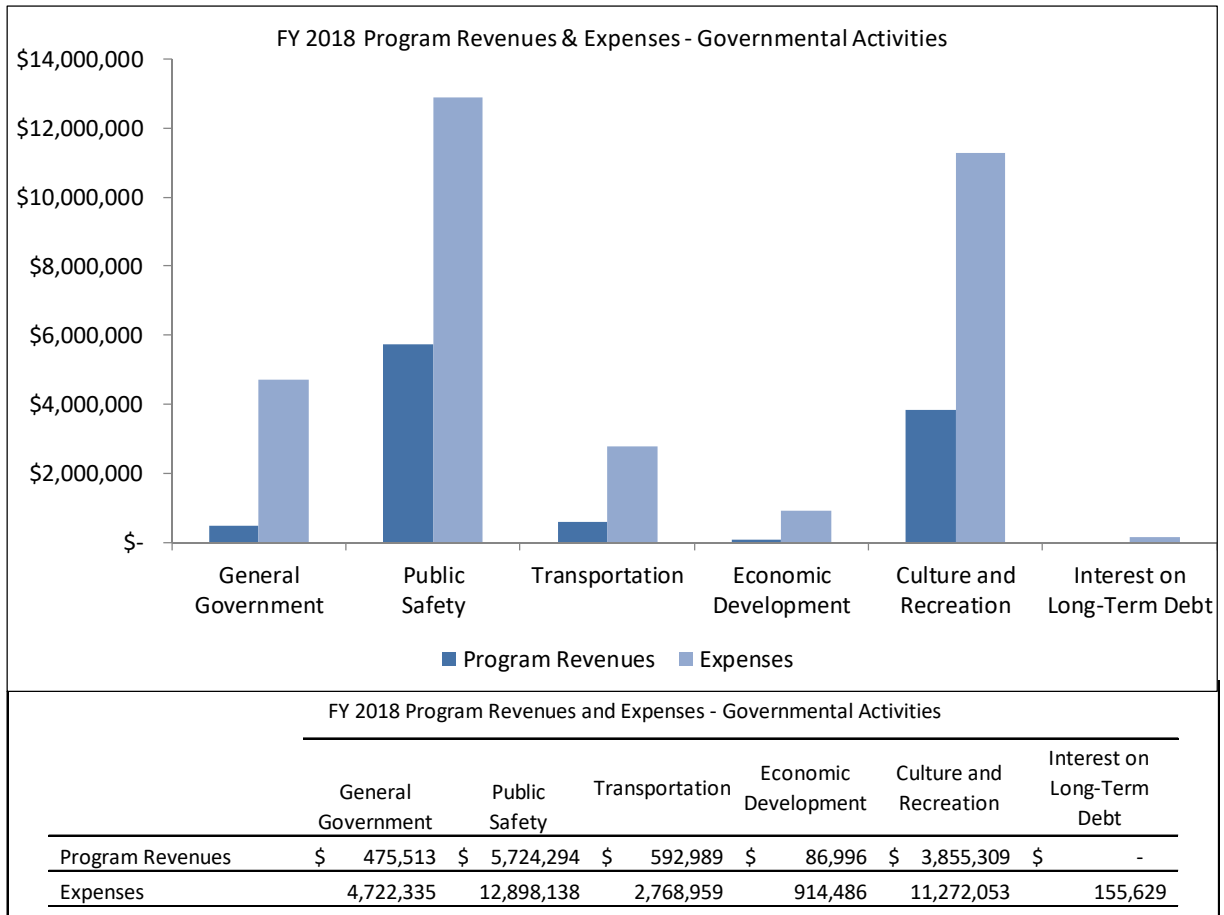
City of Dunedin, Florida						
Net Position						
September 30, 2017 and 2018						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 30,144,946	\$ 26,658,488	\$ 36,393,153	\$ 33,262,007	\$ 66,538,099	\$ 59,920,495
Capital assets	71,053,155	71,310,659	56,234,193	57,469,718	127,287,348	128,780,377
Total assets	101,198,101	97,969,147	92,627,346	90,731,725	193,825,447	188,700,872
Deferred outflow of resources	2,758,837	3,219,689	651,993	670,006	3,410,830	3,889,695
Current liabilities	2,487,920	2,077,306	3,979,272	3,748,844	6,467,192	5,826,150
Long-term liabilities outstanding:						
Due within one year	1,500,530	1,415,853	1,750,386	1,675,377	3,250,916	3,091,230
Due in more than one year	8,869,989	9,851,088	24,225,287	25,886,587	33,095,276	35,737,675
OPEB liability	1,114,297	896,522	574,331	485,508	1,688,628	1,382,030
Net pension liability	2,553,762	2,791,808	1,486,142	1,638,633	4,039,904	4,430,441
Total liabilities	16,526,498	17,032,577	32,015,418	33,434,949	48,541,916	50,467,526
Deferred inflow of resources	1,567,225	1,597,835	565,768	486,746	2,132,993	2,084,581
Net position:						
Net investment in capital assets	63,664,408	62,763,046	31,280,649	30,862,852	94,945,057	93,625,898
Restricted	15,029,816	11,721,407	1,542,739	1,456,178	16,572,555	13,177,585
Unrestricted	7,168,991	8,073,971	27,874,765	25,161,006	35,043,756	33,234,977
Total net position	\$ 85,863,215	\$ 82,558,424	\$ 60,698,153	\$ 57,480,036	\$ 146,561,368	\$ 140,038,460

**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 \$3,222,091 before transfers. Key elements of this change are as follows:

- Revenues were up in fiscal year 2018 by \$2,233,354 or 6.6% totaling \$35,953,691 compared to last year's total of \$33,720,337. Property tax revenue increased \$881,013 or 9.8% from fiscal year 2017 due to increases in property values. Intergovernmental revenues increased by \$344,903 or 4.7% from fiscal year 2017 due to an increase in Infrastructure one cent sales tax, and Capital contributions increased by \$333,164 or 22.8% from fiscal year 2017 primarily due to County contributions for the Blue Jay's Stadium project. Overall revenue receipts were up from prior year.
- Total expenses increased in fiscal year 2018 by \$2,490,091 8.2%, after increasing by \$703,383 (2.4%) in fiscal 2017. The increase in fiscal year 2018 expenses is due to primarily to Hurricane IRMA – Direct Purchase costs incurred as a result of the storm of \$1,149,307 more than from fiscal year 2017 amount of \$134,900. Also, General government expenses increased due to Salary and Benefits increases of \$301,735 from fiscal year 2017.

City of Dunedin, Florida  
Changes in Net Position  
September 30, 2017 and 2018

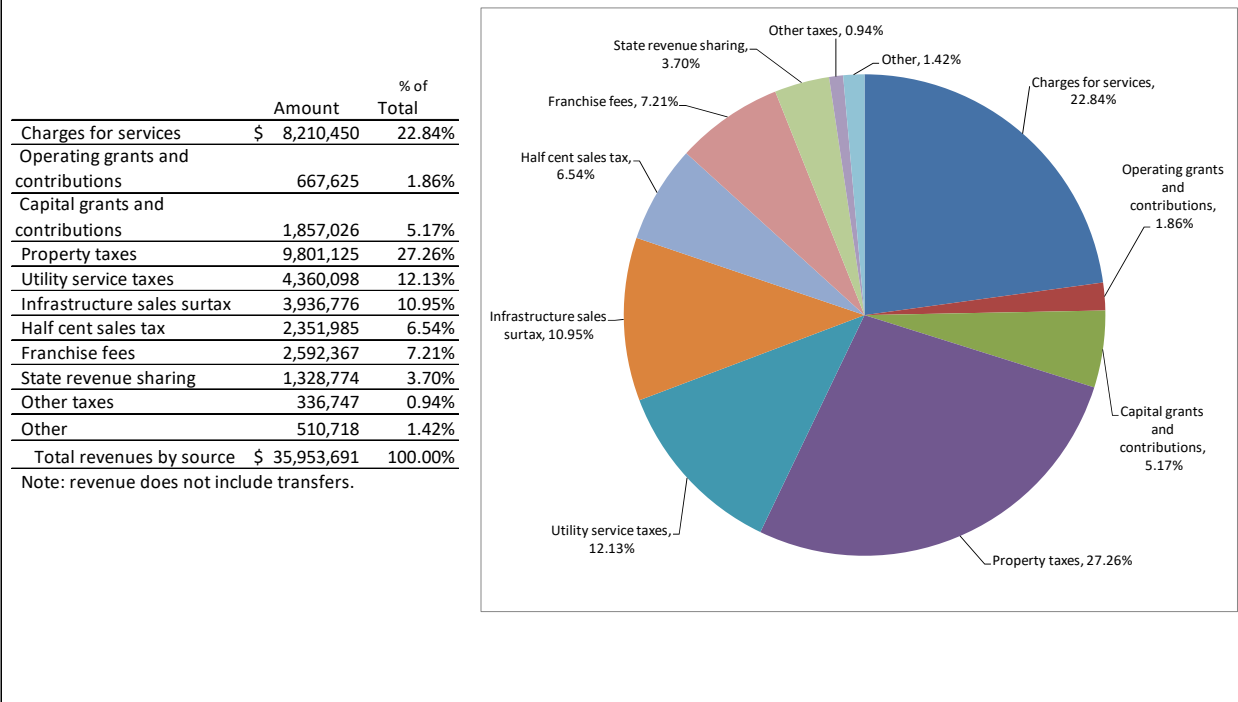
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
<b>Program revenues</b>						
Charges for services	\$ 8,210,450	\$ 8,144,312	\$ 26,661,692	\$ 26,292,417	\$ 34,872,142	\$ 34,436,729
Operating grants and contributions	667,625	607,504	7,429	-	675,054	607,504
Capital grants and contributions	1,857,026	1,459,227	3,567,449	300,607	5,424,475	1,759,834
<b>General revenues:</b>						
Property taxes	9,801,125	8,920,112	-	-	9,801,125	8,920,112
Utility services taxes	4,360,098	4,250,024	-	-	4,360,098	4,250,024
Franchise fees	2,592,367	2,406,038	-	-	2,592,367	2,406,038
Intergovernmental revenues	7,617,535	7,272,632	-	-	7,617,535	7,272,632
Other taxes	336,747	333,972	-	-	336,747	333,972
Other	510,718	326,516	476,098	417,154	986,816	743,670
<b>Total Revenues</b>	<b>35,953,691</b>	<b>33,720,337</b>	<b>30,712,668</b>	<b>27,010,178</b>	<b>66,666,359</b>	<b>60,730,515</b>
<b>Expenses:</b>						
General government	4,722,335	3,086,600	-	-	4,722,335	3,086,600
Public safety	12,898,138	12,863,393	-	-	12,898,138	12,863,393
Transportation	2,768,959	2,301,533	-	-	2,768,959	2,301,533
Economic development	914,486	750,068	-	-	914,486	750,068
Culture and recreation	11,272,053	11,057,908	-	-	11,272,053	11,057,908
Interest on long-term debt	155,629	182,007	-	-	155,629	182,007
Solid waste	-	-	5,289,057	4,761,646	5,289,057	4,761,646
Water/Sewer utility	-	-	17,006,572	17,045,668	17,006,572	17,045,668
Stormwater utility	-	-	4,028,592	3,558,252	4,028,592	3,558,252
Marina	-	-	423,653	381,384	423,653	381,384
Parking	-	-	663,977	592,086	663,977	592,086
<b>Total Expenses</b>	<b>32,731,600</b>	<b>30,241,509</b>	<b>27,411,851</b>	<b>26,339,036</b>	<b>60,143,451</b>	<b>56,580,545</b>
Increase (decrease) in net position before transfers	3,222,091	3,478,828	3,300,817	671,142	6,522,908	4,149,970
Transfers	82,700	(2,649,858)	(82,700)	2,649,858	-	-
Increase (decrease) in net position after transfers	3,304,791	828,970	3,218,117	3,321,000	6,522,908	4,149,970
Net position-beginning	82,558,424	82,201,774	57,480,036	54,420,316	140,038,460	136,622,090
Cumulative effect of adoption of GASB No. 75 in FY2017	-	(472,320)	-	(261,280)	-	(733,600)
<b>Net position as of September 30</b>	<b>\$ 85,863,215</b>	<b>\$ 82,558,424</b>	<b>\$ 60,698,153</b>	<b>\$ 57,480,036</b>	<b>\$ 146,561,368</b>	<b>\$ 140,038,460</b>



As the bar chart above illustrates, governmental activities typically do not pay for themselves. For example, culture and recreation expenses of \$11,272,053 exceed the \$3,855,309 in revenues.

The pie chart on the next page shows that overall, 29.87% of offsetting revenues for governmental activity expenses come from specific charges for services (22.84%) and grants (7.03%). The remaining 70.13% of revenue supporting governmental activities comes from property taxes (27.26%) and other taxes (40.51%), with a very small portion (2.36%) from investment earnings.

## FY 2018 Revenues By Source - Governmental Activities



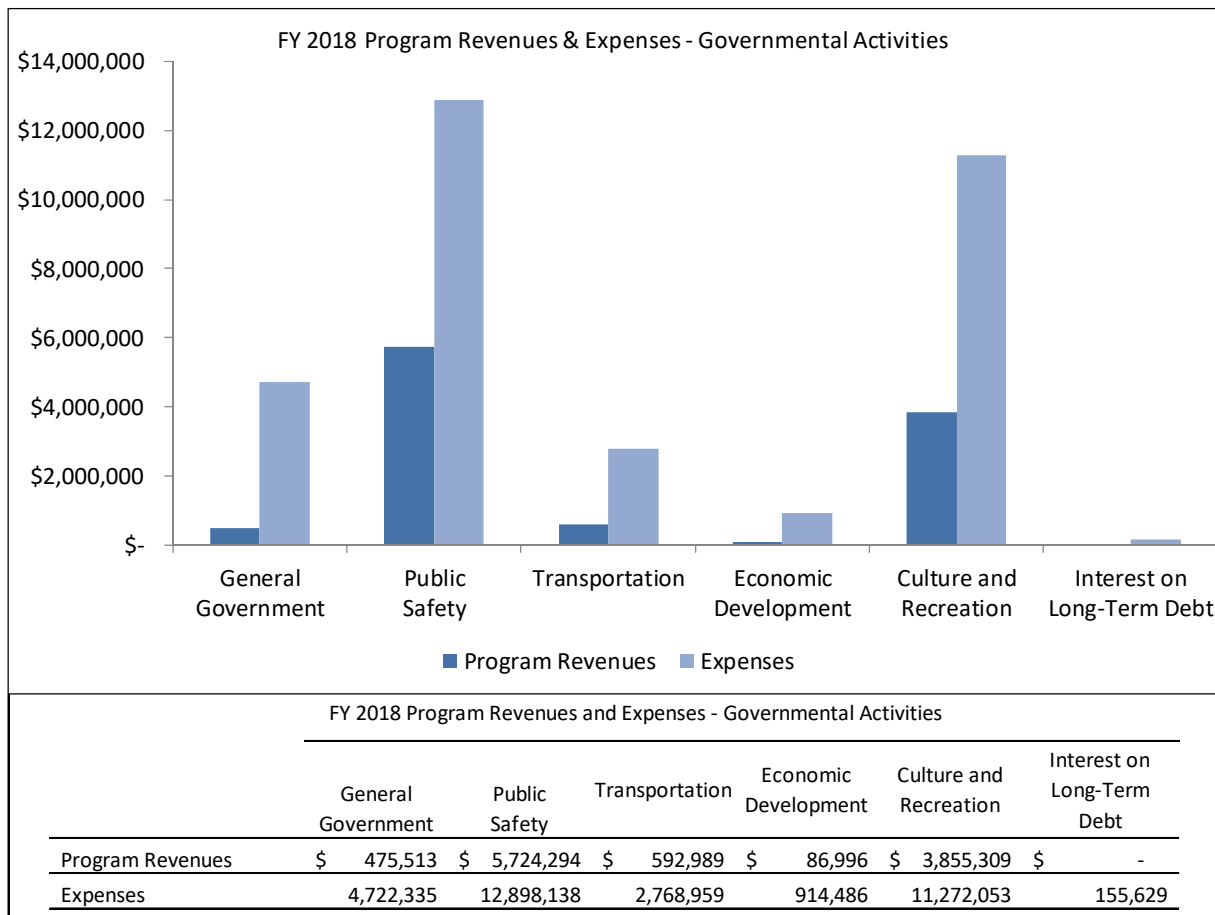
**Business-type activities.** Business type activities increased the City’s net position by \$3,300,817 before transfers. Key elements of this increase are as follows:

- Total expenses before transfers for business-type activities increased 4.1% or \$1,072,815 from fiscal year 2017. Total revenues before transfers increased \$3,702,490 or 13.7% from fiscal year 2017.
- Charges for services revenues for business-type activities increased by \$369,275 or 1.4% from fiscal year 2017.
  - Solid waste operating revenues were up \$158,098 or 3.0%, from \$5,220,755 to \$5,378,853.
  - Water and wastewater utility operating revenues were up \$647,114 or 4.0%, from \$16,200,581 to \$16,847,695.
  - Stormwater utility operating revenues increased \$176,900 or 5.0%, from \$3,533,250 to \$3,710,150.
  - As noted earlier, the Parking Fund was created in fiscal year 2017. It generated \$804,959 in operating revenue. The parking fund revenue in fiscal year 2018 was \$169,891, this was a partial year of revenue as the City decided to discontinue charging for parking.
- Business-type activities had net transfers in of (\$82,700) in fiscal year 2018 compared to transfers of \$2,649,858 in fiscal year 2017. The decrease in fiscal year 2018 is largely due to transferring \$2,798,400 of Deepwater Horizon Oil Spill settlement proceeds from the General Fund to the Parking Fund in fiscal year 2017.

Unlike governmental activities, business-type activities are typically able to pay for themselves through specific user charges and other revenue sources. The bar chart on the next page illustrates this case for the City’s Solid Waste, Marina and Parking Funds. While the Solid Waste and Water/Sewer Funds are



reflecting a loss, it should be noted that there are significant non-cash expenses such as depreciation reported in each of those funds. Furthermore, both funds are generating significant net operating cash flows. This can be further examined in the proprietary funds statement of cash flows.



### Fund Level Financial Analysis

**Governmental funds.** As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 \$20,504,370 an increase of \$3,470,056 in comparison with the prior fiscal year. Approximately 18.2% of this amount (\$3,740,884) 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 (\$16,473), 2) legally restricted for specific purposes by entities outside the City’s control (\$15,029,816), 3) committed for particular purposes (\$759,997), or 4) assigned for particular purposes (\$957,200). For additional information, see Note VI – Fund Balance Reporting

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 14.32% of total general fund expenditures for the current fiscal year, while total fund balance represents 21.14% of that same amount.

The total fund balance of the City's general fund decreased \$188,437 (3.0%) during fiscal year 2018, however, expenses exceeded revenues by \$119,826 before deducting other financing uses.

- The general fund 'Final Budget' budgeted for a deficit of \$2,693,912 excluding transfers and sale of general fixed assets. Approximately \$1.3 of this amount was due to Hurricane IRMA expenditures incurred and budgeted for in fiscal year 2018. At fiscal year-end, actual revenues surpassed budgeted revenues by \$1,629,544. Actual expenditures were \$944,542 under budget, resulting in an excess of revenues under expenditures of \$119,826 before transfers and sale of general fixed assets.
- The actual revenues were more than budgeted revenues due primarily to code enforcement fines being \$879,564 more than budget.

The total fund balance of the stadium fund increased \$5,615,741 (23.2%) during fiscal year 2018, however, expenses exceeded revenues by \$147,259 before adding other financing sources.

- The increase in fund balance is due to a transfer in of \$5,763,000 from the penny fund to help finance the stadium renovation.

The one-cent sales tax fund has a total fund balance of \$5,682,707 all of which is restricted. The net decrease in fund balance during the current year in the one-cent sales tax fund was \$2,771,782.

- The revenues from the current fiscal year were \$4,015,002 while the expenditures were \$1,126,713. Of that expenditure amount, \$773,910 (68.69%) was spent on debt service.
- Total revenues decreased by \$29,871 or - 0.74%, compared to fiscal year 2017.
- Total expenditures decreased \$315,905 or 21.90%, compared to fiscal year 2017.

The community redevelopment agency (CRA) fund has a total fund balance of \$398,546. The CRA fund balance increased \$62,929 during the year.

- The revenues from the current fiscal year were \$831,367 including \$771,769 in property tax revenue, while expenditures were \$625,038. Total revenues increased \$218,042 or 35.55%, compared to fiscal year 2017. Property tax revenues, the main source of revenue for the CRA, increased \$202,327 or 35.53% from fiscal year 2017.
- Total expenditures increased \$221,012, or 54.70%, compared to fiscal year 2017. As noted earlier the City maintains seven individual governmental funds.

The four funds discussed above are all considered major funds. The other three governmental funds are considered non-major governmental funds. During the 2017 fiscal year, the City created a new non-major governmental fund to segregate specific activities.

- The building code fund was established as a special revenue fund in fiscal year 2017 and \$244,311 was transferred to that fund from the general fund. The activity of the building code

fund was previously recorded in the general fund. The amount of the transfer is the cumulative balance of funds associated with the building code activities.

- The revenues from the current fiscal year were \$1,834,513. Total revenues decreased \$88,738, or 4.61% compared to fiscal year 2017.
- Total expenditures increased \$144,475, or 15.15% compared to fiscal year 2017.

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

- In the solid waste fund, net position decreased \$90,445 (-5.49%) from fiscal year 2017. There was an increase in operating revenue of \$210,442 and an increase in supplies and services expenses of \$585,904 compared to fiscal year 2017.
- In the water/sewer utility, net position increased \$2,788,049 (8.48%) during fiscal year 2018. Water/Sewer operating revenues increased \$647,114 or 4.0% for 2018. The increase was largely due to an operating income of \$188,600. The increase in net position was also due largely to \$2,599,499 in Capital Contributions in fiscal year 2018.
- In the stormwater fund, net position increased \$696,657 (5.26%) from fiscal year 2017. Current year revenues outpaced the prior year's revenue by \$176,900 or 5.0%. Total operating expenses are \$332,707 (10.0%) more than fiscal year 2017. The increase in net position is also due to Capital Contributions of \$968,000 in fiscal year 2018.
- In the marina fund, net position increased \$149,460 (5.96%) from fiscal year 2017. Operating revenue was up \$22,231 (4.17%) over fiscal year 2017 and operating expenses increased \$33,000 or 8.53% from the prior year.
- As noted earlier, the parking fund began in fiscal year 2017. It was established as an enterprise fund to account for the activity of the downtown parking program. At September 30, 2018, it had net position of \$2,602,419, largely due to a transfer in from the general fund in fiscal year 2017. The parking utility fees were stopped in 2018 year and this fund activity will be transferred to the General Fund during fiscal year 2019.

## General Fund Budgetary Highlights

### **Original budget compared to final budget**

**Revenues.** Budgeted revenues in the General Fund increased \$14,000 through budget amendments. Significant changes to revenue appropriations were:

- Increase revenues of \$14,000 for Conformity Review Fees for the Planning and Development.

**Expenditures.** Budgeted expenditure appropriations in the General Fund increased \$2,028,412 through budget amendments. Significant changes to expense appropriations were:

- Increase operating budget for expenses incurred in fiscal year 2018 by \$1,350,000 for damages caused by Hurricane IRMA;
- Increase in expenses associated with encumbrances and project carry-forwards from fiscal year 2017 to fiscal year 2018 of \$427,221;
- Increase of \$86,300 in the Library department for emergency repairs to the Library restrooms;
- Increase of \$49,700 in the Parks & Recreation department for emergency repairs at Highlander Pool.

### ***Final budget compared to actual results***

**Revenues.** Actual General Fund revenues exceeded budget by \$1,629,544 or 5.9%. This variance was primarily due to one-time occurrences including:

- Code enforcement and local ordinance fines \$879,564 higher than budgeted;
- Higher than anticipated Tree Bank fees of \$100,254;
- Higher collection of Electric Franchise Fees \$214,871;
- Higher than expected Electric Utility Tax Revenues \$106,461
- Interest earnings of \$51,531 over budgeted levels;

**Expenditures.** Actual General Fund expenditures were under budget by \$944,542 or 3.1%. Significant variances in budget to actual expenditures were primarily due to the following:

- \$305,092 in the Planning and Development from vacancy savings and capital outlay less than budgeted;
- \$198,176 in Fire from vacancy savings, supplies and services and capital outlay less than budgeted;
- \$207,997 in Library from vacancy savings and capital outlay less than budgeted;
- \$415,624 in Recreation division of Parks and Recreation from vacancy savings and supplies and services less than budgeted
- Other departments, including Legal and EMS departments were over budget in total \$283,353 in fiscal year 2018 which offset the variances explained above.

### **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, 2018, amounts to \$127,287,348 (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 decrease in capital assets for the current fiscal year was approximately (-1.16%) or \$1,493,029. Of that \$1,235,525 is a decrease to business type activities and \$257,504 is a decrease to governmental activities. The current year depreciation of \$4,509,809 in governmental activities exceeded current year capital asset purchases, while current year purchases in the business-type activities exceeded current year depreciation.

Significant changes to the governmental activities include:

- Fleet vehicle replacement program activity included disposals of \$1,201,400 and new purchases of \$1,555,743.

Significant changes to the business-type activities include:

- Water/Sewer Fund – The Water Treatment Plant Rehabilitation Project \$2,725,710; Wastewater Wet Well Rehabilitation \$293,329; Wastewater Treatment Plan Feed System Conversion \$589,265
- Solid waste fund – the purchase of two vehicles \$305,783;

Additional information on the City's capital assets can be found on pages 65 - 68 of this report in the notes to the financial statements (see Note IV, A.3.a.).

City of Dunedin, FL Capital Assets (net of depreciation)							
	Governmental Activities		Business-type Activities		Total		
	2018	2017	2018	2017	2018	2017	
Land	\$ 22,098,852	\$ 22,101,254	\$ 648,676	\$ 648,676	\$ 22,747,528	\$ 22,749,930	
Buildings	22,429,367	23,651,982	720,688	766,815	23,150,055	24,418,797	
Infrastructure	8,449,119	8,572,972	-	-	8,449,119	8,572,972	
Improvements other than Building	10,135,017	11,257,501	49,717,688	53,686,822	59,852,705	64,944,323	
Machinery and Equipment	6,565,986	5,488,485	2,299,752	2,235,933	8,865,738	7,724,418	
Construction in Progress	1,374,814	238,465	2,847,389	131,472	4,222,203	369,937	
Total Capital Assets	\$ 71,053,155	\$ 71,310,659	\$ 56,234,193	\$ 57,469,718	\$ 127,287,348	\$ 128,780,377	

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$32,342,291. Of this amount, \$803,738 comprises capital leases and \$31,538,553 of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds). The City's total outstanding debt decreased by \$2,812,188 during the current fiscal year. As noted earlier, the decrease in outstanding debt is related to scheduled debt service payments. Additional information on the City's long-term debt can be found on pages 70 - 75 in the notes to the financial statements (see Note IV.B).

City of Dunedin, FL Outstanding Debt							
	Governmental Activities		Business-type Activities		Total		
	2018	2017	2018	2017	2018	2017	
Capital leases	\$ 380,619	\$ 503,493	\$ 423,119	\$ 559,712	\$ 803,738	\$ 1,063,205	
Bonds and notes payable	7,008,128	8,044,120	24,530,425	26,047,154	31,538,553	34,091,274	
Total Liabilities	\$ 7,388,747	\$ 8,547,613	\$ 24,953,544	\$ 26,606,866	\$ 32,342,291	\$ 35,154,479	

### Economic Factors Impacting Next Year's Budget

The following factors were considered in preparing the City's budget for the 2019 fiscal year:

- The unemployment rate in Dunedin as of December 2018 is 3.1%, which is lower than the State of Florida's unemployment rate of 3.3% for the same period.
- The occupancy rate of the City's downtown has remained high with minimal vacancies.
- Dunedin's property tax rate will remain unchanged at 4.1345 mills.
- The City's residential properties comprise 80.3% of the City's appraised value.

### 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 the Director of Finance, at 750 Milwaukee Ave., City of Dunedin, Florida, 34698.

# DUNEDIN

Home of Honeymoon Island

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## **BASIC FINANCIAL STATEMENTS**

# DUNEDIN

Home of Honeymoon Island

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**City of Dunedin, Florida**  
**Statement of Net Position**  
**September 30, 2018**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash, cash equivalents, and investments	\$ 30,680,472	\$ 22,130,395	\$ 52,810,867
Receivables, net of allowance for uncollectibles	788,127	4,250,596	5,038,723
Internal balances	(4,262,910)	4,262,910	-
Due from other governments	2,244,519	136,648	2,381,167
Inventories	82,571	475,147	557,718
Prepaid items	73,217	1,908,858	1,982,075
Accrued interest receivable	50,740	106,632	157,372
Deposits	100,254	-	100,254
Restricted cash and cash equivalents	-	3,121,967	3,121,967
Notes receivable	387,956	-	387,956
Capital assets, net of accumulated depreciation:			
Land	22,098,852	648,676	22,747,528
Buildings	22,429,367	720,688	23,150,055
Infrastructure	8,449,119	-	8,449,119
Improvements other than buildings	10,135,017	49,717,688	59,852,705
Machinery and equipment	6,565,986	2,299,752	8,865,738
Construction in progress	1,374,814	2,847,389	4,222,203
Total assets	<u>101,198,101</u>	<u>92,627,346</u>	<u>193,825,447</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions and other post-employment benefits (OPEB)	2,758,837	651,993	3,410,830
Total deferred outflows of resources	<u>2,758,837</u>	<u>651,993</u>	<u>3,410,830</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	2,315,584	1,948,849	4,264,433
Accrued interest payable	71,859	450,054	521,913
Unearned revenue	-	1,141	1,141
Due to other governments	100,477	-	100,477
Liabilities payable from restricted assets	-	1,579,228	1,579,228
Noncurrent liabilities:			
Due within one year	1,500,530	1,750,386	3,250,916
Due in more than one year	8,869,989	24,225,287	33,095,276
OPEB liability	1,114,297	574,331	1,688,628
Net pension liability	2,553,762	1,486,142	4,039,904
Total liabilities	<u>16,526,498</u>	<u>32,015,418</u>	<u>48,541,916</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Business tax collected in advance	84,082	-	84,082
Pensions and other post-employment benefits (OPEB)	1,483,143	565,768	2,048,911
Total deferred inflows of resources	<u>1,567,225</u>	<u>565,768</u>	<u>2,132,993</u>
<b>NET POSITION</b>			
Net investment in capital assets	63,664,408	31,280,649	94,945,057
Restricted for:			
Capital projects	6,573,054	1,542,739	8,115,793
Community Redevelopment Agency	397,246	-	397,246
Stadium	5,856,957	-	5,856,957
Building code	1,951,258	-	1,951,258
Public safety	59,842	-	59,842
Housing	51,379	-	51,379
Bequests	110,411	-	110,411
Other	29,669	-	29,669
Unrestricted	7,168,991	27,874,765	35,043,756
Total net position	<u>\$ 85,863,215</u>	<u>\$ 60,698,153</u>	<u>\$ 146,561,368</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 2018**

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b><u>Governmental activities:</u></b>				
General government	\$ 4,722,335	\$ 475,513	\$ -	\$ -
Public safety	12,898,138	5,593,433	5,712	125,149
Transportation	2,768,959	-	-	592,989
Economic development	914,486	56,085	-	30,911
Culture and recreation	11,272,053	2,085,419	661,913	1,107,977
Interest on long-term debt	155,629	-	-	-
Total governmental activities	<u>32,731,600</u>	<u>8,210,450</u>	<u>667,625</u>	<u>1,857,026</u>
<b><u>Business-type activities:</u></b>				
Solid waste	5,289,057	5,378,853	-	-
Water/Sewer utility	17,006,572	16,847,695	-	2,599,449
Stormwater utility	4,028,592	3,710,150	7,429	968,000
Marina	423,653	555,103	-	-
Parking	663,977	169,891	-	-
Total business-type activities	<u>27,411,851</u>	<u>26,661,692</u>	<u>7,429</u>	<u>3,567,449</u>
<b>Total primary government</b>	<u>\$ 60,143,451</u>	<u>\$ 34,872,142</u>	<u>\$ 675,054</u>	<u>\$ 5,424,475</u>

**General Revenues:**

Property taxes  
Utility service taxes  
Franchise fees  
Intergovernmental revenues not restricted to specific programs:  
    Infrastructure sales surtax  
    Half cent sales tax  
    State revenue sharing  
Other taxes  
Unrestricted investment earnings / (loss)  
Gain on sale of capital assets  
Transfers  
    Total general revenues and transfers  
Change in net position  
Net position - beginning as restated  
Net position - ending

<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (4,246,822)	\$ -	\$ (4,246,822)
(7,173,844)	-	(7,173,844)
(2,175,970)	-	(2,175,970)
(827,490)	-	(827,490)
(7,416,744)	-	(7,416,744)
(155,629)	-	(155,629)
<u>(21,996,499)</u>	<u>-</u>	<u>(21,996,499)</u>
-	89,796	89,796
-	2,440,572	2,440,572
-	656,987	656,987
-	131,450	131,450
-	(494,086)	(494,086)
<u>-</u>	<u>2,824,719</u>	<u>2,824,719</u>
<u>(21,996,499)</u>	<u>2,824,719</u>	<u>(19,171,780)</u>
9,801,125	-	9,801,125
4,360,098	-	4,360,098
2,592,367	-	2,592,367
3,936,776	-	3,936,776
2,351,985	-	2,351,985
1,328,774	-	1,328,774
336,747	-	336,747
387,808	476,098	863,906
122,910	-	122,910
82,700	(82,700)	-
<u>25,301,290</u>	<u>393,398</u>	<u>25,694,688</u>
3,304,791	3,218,117	6,522,908
82,558,424	57,480,036	140,038,460
<u>\$ 85,863,215</u>	<u>\$ 60,698,153</u>	<u>\$ 146,561,368</u>

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

**City of Dunedin, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2018**

	General Fund	Stadium Fund	One Cent Sales Tax Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash, cash equivalents, and investments	\$ 5,860,759	\$ 6,087,611	\$ 3,960,447	\$ 407,168	\$ 3,232,942	\$ 19,548,927
Receivables-net of allowance for uncollectibles	733,454	7,687	29,158	1,398	13,217	784,914
Due from other governments	767,883	422,064	930,438	-	124,134	2,244,519
Due from other funds	-	-	786,374	-	-	786,374
Inventories	2,402	-	-	-	-	2,402
Prepaid items	6,171	-	-	-	-	6,171
Deposits	6,100	500	-	1,300	-	7,900
Notes receivable	387,956	-	-	-	-	387,956
Total assets	<u>\$ 7,764,725</u>	<u>\$ 6,517,862</u>	<u>\$ 5,706,417</u>	<u>\$ 409,866</u>	<u>\$ 3,370,293</u>	<u>\$ 23,769,163</u>
<b>LIABILITIES</b>						
Liabilities:						
Accounts payable	\$ 528,970	\$ 659,905	\$ 10,213	\$ 6,517	\$ 28,046	\$ 1,233,651
Contracts payable	269,955	-	13,497	-	22,553	306,005
Accrued salaries payable	203,867	-	-	2,803	9,687	216,357
Deposits payable	900	500	-	2,000	-	3,400
Due to other funds	-	-	-	-	786,374	786,374
Due to other governments	1,099	-	-	-	99,378	100,477
Other current liabilities	146,491	-	-	-	-	146,491
Total liabilities	<u>1,151,282</u>	<u>660,405</u>	<u>23,710</u>	<u>11,320</u>	<u>946,038</u>	<u>2,792,755</u>
<b>DEFERRED INFLOWS</b>						
Business tax collected in advance	84,082	-	-	-	-	84,082
Unavailable revenue	387,956	-	-	-	-	387,956
Total deferred inflows	<u>472,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>472,038</u>
<b>FUND BALANCES</b>						
Non spendable	14,673	500	-	1,300	-	16,473
Restricted	251,301	5,856,957	5,682,707	397,246	2,841,605	15,029,816
Committed	759,997	-	-	-	-	759,997
Assigned	957,200	-	-	-	-	957,200
Unassigned	4,158,234	-	-	-	(417,350)	3,740,884
Total fund balances	<u>6,141,405</u>	<u>5,857,457</u>	<u>5,682,707</u>	<u>398,546</u>	<u>2,424,255</u>	<u>20,504,370</u>
<b>Total liabilities, deferred inflows &amp; fund balances</b>	<u>\$ 7,764,725</u>	<u>\$ 6,517,862</u>	<u>\$ 5,706,417</u>	<u>\$ 409,866</u>	<u>\$ 3,370,293</u>	<u>\$ 23,769,163</u>

**City of Dunedin, Florida**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2018**

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

Total fund balances - governmental funds		\$ 20,504,370
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		65,294,571
Net pension liability resulting from plan fiduciary net position exceeding total pension assets:		
Firefighters' pension asset (liability)	(717,542)	
FRS net pension asset (liability)	(1,326,717)	
FRS HIS net pension asset (liability)	<u>(509,503)</u>	(2,553,762)
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as deferred inflows / unavailable revenue in the funds.		387,956
Deferred outflows/inflows of resources reported in the statement of net position:		
Net deferred outflows - pensions and OPEB	2,738,233	
Net deferred inflows - pensions and OPEB	<u>(1,477,844)</u>	1,260,389
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.		10,719,277
Long-term liabilities, including accrued interest, bonds payable, compensated absences and OPEB are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable	(67,263)	
Revenue bonds payable	(7,008,128)	
Compensated absences	(1,686,716)	
OPEB liability	<u>(987,479)</u>	(9,749,586)
Net position of governmental activities		<u>\$ 85,863,215</u>

**City of Dunedin, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended 2018**

	<u>General Fund</u>	<u>Stadium Fund</u>	<u>One Cent Sales Tax Fund</u>	<u>Community Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Taxes:						
Property	\$ 9,029,356	\$ -	\$ -	\$ 771,769	\$ -	\$ 9,801,125
Franchise	2,592,367	-	-	-	-	2,592,367
Utility service	4,360,098	-	-	-	-	4,360,098
Licenses and permits	303,130	-	-	-	-	303,130
Intergovernmental	4,439,200	1,002,936	3,936,776	-	504,983	9,883,895
Charges for services	6,039,564	339,368	-	-	1,810,886	8,189,818
Fines	1,374,964	-	-	-	-	1,374,964
Investment earnings	120,218	19,142	78,226	3,513	35,894	256,993
Rents	220,601	-	-	56,085	-	276,686
Contributions and donations	155,277	-	-	-	-	155,277
Other revenue	291,569	31,482	-	-	308,106	631,157
Total revenues	<u>28,926,344</u>	<u>1,392,928</u>	<u>4,015,002</u>	<u>831,367</u>	<u>2,659,869</u>	<u>37,825,510</u>
<b>EXPENDITURES</b>						
Current:						
General government	6,072,395	-	-	-	-	6,072,395
Public safety	11,259,159	-	-	-	984,214	12,243,373
Transportation	1,613,585	-	-	-	545,160	2,158,745
Economic environment	-	-	-	470,142	-	470,142
Culture and recreation	9,358,046	307,257	-	-	-	9,665,303
Debt service:						
Principal	-	395,992	640,000	-	-	1,035,992
Interest	-	19,156	133,910	-	-	153,066
Capital outlay:						
General government	34,487	-	-	-	-	34,487
Public safety	45,247	-	-	-	129,340	174,587
Transportation	-	-	5,210	-	301,346	306,556
Economic development	-	-	-	99,824	-	99,824
Culture and recreation	469,565	817,782	347,593	-	-	1,634,940
Aids and grants	193,686	-	-	55,072	-	248,758
Total expenditures	<u>29,046,170</u>	<u>1,540,187</u>	<u>1,126,713</u>	<u>625,038</u>	<u>1,960,060</u>	<u>34,298,168</u>
Excess of revenues over (under) expenditures	<u>(119,826)</u>	<u>(147,259)</u>	<u>2,888,289</u>	<u>206,329</u>	<u>699,809</u>	<u>3,527,342</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	28,400	5,763,000	14,204	-	66,000	5,871,604
Transfers out	(100,000)	-	(5,674,275)	(143,400)	(14,204)	(5,931,879)
Sale of general capital assets	2,989	-	-	-	-	2,989
Total other financing sources (uses)	<u>(68,611)</u>	<u>5,763,000</u>	<u>(5,660,071)</u>	<u>(143,400)</u>	<u>51,796</u>	<u>(57,286)</u>
Net change in fund balances	(188,437)	5,615,741	(2,771,782)	62,929	751,605	3,470,056
Fund balances - beginning	6,329,842	241,716	8,454,489	335,617	1,672,650	17,034,314
Fund balances - ending	<u>\$ 6,141,405</u>	<u>\$ 5,857,457</u>	<u>\$ 5,682,707</u>	<u>\$ 398,546</u>	<u>\$ 2,424,255</u>	<u>\$ 20,504,370</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 2018**

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Net change in fund balances - total governmental funds		\$ 3,470,056
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:		
Expenditures for capital assets	2,250,394	
Less current year depreciation	(3,505,304)	
Net book value of disposed assets	<u>(9,225)</u>	(1,264,135)
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as deferred inflows / unavailable revenue in the funds.		(12,044)
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.		
Principal payments		1,035,992
The net effect of pension contribution expense is to decrease net position.		(323,384)
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	(250,997)	
Change in accrued interest expense	<u>4,060</u>	(246,937)
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.		<u>645,243</u>
Change in net position of governmental activities		<u><u>\$ 3,304,791</u></u>

**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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Taxes:				
Property	\$ 9,064,400	\$ 9,064,400	\$ 9,029,356	\$ (35,044)
Franchise	2,369,800	2,369,800	2,592,367	222,567
Utility service	4,224,100	4,224,100	4,360,098	135,998
Licenses and permits	219,800	219,800	303,130	83,330
Intergovernmental	4,338,700	4,338,700	4,439,200	100,500
Charges for services	6,010,100	6,010,100	6,039,564	29,464
Fines	495,400	495,400	1,374,964	879,564
Investment earnings	50,000	50,000	120,218	70,218
Rents	255,400	255,400	220,601	(34,799)
Contributions and donations	95,400	95,400	155,277	59,877
Other revenue	159,700	173,700	291,569	117,869
Total revenues	<u>27,282,800</u>	<u>27,296,800</u>	<u>28,926,344</u>	<u>1,629,544</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	4,823,200	6,209,453	6,072,395	14,910
Public safety	11,315,900	11,323,773	11,259,159	64,614
Transportation	1,649,600	1,658,700	1,613,585	45,115
Culture and recreation	9,714,200	9,991,751	9,358,046	633,705
Capital outlay:				
General government	22,900	129,860	34,487	95,373
Public safety	59,500	71,520	45,247	26,273
Culture and recreation	66,000	289,655	469,565	(179,910)
Aids and grants	311,000	316,000	193,686	122,314
Total expenditures	<u>27,962,300</u>	<u>29,990,712</u>	<u>29,046,170</u>	<u>944,542</u>
Excess of revenues over (under) expenditures	<u>(679,500)</u>	<u>(2,693,912)</u>	<u>(119,826)</u>	<u>2,574,086</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	28,400	28,400	28,400	-
Transfers out	(100,000)	(100,000)	(100,000)	-
Sale of general capital assets	3,000	3,000	2,989	(11)
Total other financing uses	<u>(68,600)</u>	<u>(68,600)</u>	<u>(68,611)</u>	<u>(11)</u>
Net change in fund balances	<u>\$ (748,100)</u>	<u>\$ (2,762,512)</u>	<u>(188,437)</u>	<u>\$ 2,574,075</u>
Fund balances - beginning			<u>6,329,842</u>	
Fund balances - ending			<u>\$ 6,141,405</u>	

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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental revenues:				
Grants - state	\$ 500,000	\$ 500,000	\$ 583,337	83,337
Grants - local	-	-	419,599	419,599
Charges for Services	340,000	340,000	339,368	(632)
Investment earnings	-	-	19,142	19,142
Other revenue	32,000	32,000	31,482	(518)
Total revenues	<u>872,000</u>	<u>872,000</u>	<u>1,392,928</u>	<u>520,928</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Culture and recreation	415,600	437,910	307,257	130,653
Capital outlay:				
Culture and recreation	81,000,000	81,000,000	817,782	80,182,218
Debt service:				
Principal	396,100	396,100	395,992	108
Interest	19,200	19,200	19,156	44
Debt cost of issuance	1,620,000	1,620,000	-	1,620,000
Total expenditures	<u>83,450,900</u>	<u>83,473,210</u>	<u>1,540,187</u>	<u>81,933,023</u>
Revenues over (under) expenditures	<u>(82,578,900)</u>	<u>(82,601,210)</u>	<u>(147,259)</u>	<u>82,453,951</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Issuance of debt	76,843,800	76,843,800	-	(76,843,800)
Transfers in	5,763,000	5,763,000	5,763,000	-
Total other financing sources	<u>82,606,800</u>	<u>82,606,800</u>	<u>5,763,000</u>	<u>(76,843,800)</u>
Net change in fund balances	<u>\$ 27,900</u>	<u>\$ 5,590</u>	5,615,741	<u>\$ 5,610,151</u>
Fund balances - beginning			<u>241,716</u>	
Fund balances - ending			<u>\$ 5,857,457</u>	

**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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Infrastructure surtax	\$ 3,812,400	\$ 3,812,400	\$ 3,936,776	\$ 124,376
Investment earnings	9,000	9,000	78,226	69,226
Donations	-	6,000	-	(6,000)
Total revenues	<u>3,821,400</u>	<u>3,827,400</u>	<u>4,015,002</u>	<u>187,602</u>
<b><u>EXPENDITURES</u></b>				
Capital outlay:				
General government	-	1,050,000	-	1,050,000
Public Safety	-	87,759	-	87,759
Transportation	690,000	690,000	5,210	684,790
Culture and recreation	557,000	826,176	347,593	478,583
Debt service:				
Principal	640,200	640,200	640,000	200
Interest	132,600	134,100	133,910	190
Total expenditures	<u>2,019,800</u>	<u>3,428,235</u>	<u>1,126,713</u>	<u>2,301,522</u>
Excess of revenues over expenditures	<u>1,801,600</u>	<u>399,165</u>	<u>2,888,289</u>	<u>2,489,124</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	415,200	415,200	14,204	(400,996)
Transfers out	<u>(5,663,000)</u>	<u>(5,674,275)</u>	<u>(5,674,275)</u>	-
Total other financing sources (uses)	<u>(5,247,800)</u>	<u>(5,259,075)</u>	<u>(5,660,071)</u>	<u>(400,996)</u>
Net change in fund balances	<u>\$ (3,446,200)</u>	<u>\$ (4,859,910)</u>	<u>(2,771,782)</u>	<u>\$ 2,088,128</u>
Fund balances - beginning			<u>8,454,489</u>	
Fund balances - ending			<u>\$ 5,682,707</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Property taxes	\$ 799,600	\$ 799,600	\$ 771,769	\$ (27,831)
Investment earnings	1,200	1,200	3,513	2,313
Other revenue	39,200	49,200	56,085	6,885
Total revenues	<u>840,000</u>	<u>850,000</u>	<u>831,367</u>	<u>(18,633)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Economic environment	469,300	495,118	470,142	24,976
Capital outlay:				
Economic environment	60,800	230,413	99,824	130,589
Aids and grants	50,000	55,300	55,072	228
Total expenditures	<u>580,100</u>	<u>780,831</u>	<u>625,038</u>	<u>155,793</u>
Excess of revenues over expenditures	<u>259,900</u>	<u>69,169</u>	<u>206,329</u>	<u>137,160</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(143,400)</u>	<u>(143,400)</u>	<u>(143,400)</u>	<u>-</u>
Total other financing sources (uses)	<u>(143,400)</u>	<u>(143,400)</u>	<u>(143,400)</u>	<u>-</u>
Net change in fund balances	<u>\$ 116,500</u>	<u>\$ (74,231)</u>	62,929	<u>\$ 137,160</u>
Fund balances - beginning			<u>335,617</u>	
Fund balances - ending			<u>\$ 398,546</u>	

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

**City of Dunedin, Florida**  
**Statement of Net Position - Proprietary Funds**  
**September 30, 2018**

	Business-type Activities - Enterprise Funds						Governmental
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Parking	Total	Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash, cash equivalents, and investments	\$ 409,316	\$ 14,405,807	\$ 5,384,558	\$ 1,244,197	\$ 686,517	\$ 22,130,395	\$ 11,131,545
Restricted cash-customer deposits	131,053	1,365,964	200	82,011	-	1,579,228	-
Restricted cash-impact fees	-	1,542,739	-	-	-	1,542,739	-
Receivables-net of allowance for uncollectibles	579,957	1,744,272	381,310	34,176	-	2,739,715	3,213
Interest receivable	1,886	70,555	21,424	5,457	7,310	106,632	50,740
Charges receivable-capital recovery	-	214,347	-	-	-	214,347	-
Due from other governments	1,761	134,887	-	-	-	136,648	-
Inventories	-	475,147	-	-	-	475,147	80,169
Prepaid items	-	-	-	-	1,908,858	1,908,858	67,046
Deposits	-	-	-	-	-	-	92,354
Total current assets	<u>1,123,973</u>	<u>19,953,718</u>	<u>5,787,492</u>	<u>1,365,841</u>	<u>2,602,685</u>	<u>30,833,709</u>	<u>11,425,067</u>
Noncurrent assets:							
Charges receivable-capital recovery	-	1,296,534	-	-	-	1,296,534	-
Capital assets:							
Land	-	398,676	250,000	-	-	648,676	-
Buildings	482,009	15,953,584	10,815	123,301	-	16,569,709	1,837,198
Improvements other than buildings	49,543	108,712,261	31,793,001	3,437,234	-	143,992,039	4,744
Machinery and equipment	3,023,405	1,943,130	899,722	10,268	8,332	5,884,857	14,214,613
Construction in progress	-	2,790,022	-	57,367	-	2,847,389	346,764
Less accumulated depreciation	(1,777,815)	(97,338,018)	(12,382,467)	(2,210,038)	(139)	(113,708,477)	(10,644,735)
Total capital assets, net	<u>1,777,142</u>	<u>32,459,655</u>	<u>20,571,071</u>	<u>1,418,132</u>	<u>8,193</u>	<u>56,234,193</u>	<u>5,758,584</u>
Total noncurrent assets	<u>1,777,142</u>	<u>33,756,189</u>	<u>20,571,071</u>	<u>1,418,132</u>	<u>8,193</u>	<u>57,530,727</u>	<u>5,758,584</u>
Total assets	<u>2,901,115</u>	<u>53,709,907</u>	<u>26,358,563</u>	<u>2,783,973</u>	<u>2,610,878</u>	<u>88,364,436</u>	<u>17,183,651</u>
<b>DEFERRED OUTFLOWS</b>							
Pensions and OPEB	130,381	454,610	64,744	2,258	-	651,993	20,604
Total deferred outflows	<u>130,381</u>	<u>454,610</u>	<u>64,744</u>	<u>2,258</u>	<u>-</u>	<u>651,993</u>	<u>20,604</u>

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

**City of Dunedin, Florida**  
**Statement of Net Position - Proprietary Funds (Continued)**  
**September 30, 2018**

	Business-type Activities - Enterprise Funds						Governmental
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Parking	Total	Internal Service Funds
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	\$ 218,866	\$ 1,225,076	\$ 54,516	\$ 8,347	\$ 8,347	\$ 1,515,152	\$ 379,145
Accrued liabilities	-	-	-	2,887	-	2,887	-
Contracts payable	-	97,163	200,196	8,217	-	305,576	1,525
Accrued salaries payable	15,928	93,473	13,127	2,706	-	125,234	29,010
Compensated absences	-	42,864	-	-	-	42,864	-
Accrued interest payable	5,109	234,088	210,857	-	-	450,054	4,596
Customer deposit payable-restricted asset	131,053	1,365,964	200	82,011	-	1,579,228	-
Bonds payable	-	1,085,353	483,376	-	-	1,568,729	-
Capital leases payable	138,793	-	-	-	-	138,793	124,852
Claims liabilities	-	-	-	-	-	-	256,269
Unearned revenue	1,141	-	-	-	-	1,141	-
Total current liabilities	510,890	4,143,981	962,272	104,168	8,347	5,729,658	795,397
Noncurrent liabilities:							
Bonds payable	-	11,764,228	11,197,468	-	-	22,961,696	-
Capital leases payable	284,326	-	-	-	-	284,326	255,767
Compensated absences	173,923	718,810	71,909	14,511	112	979,265	240,327
OPEB liability	96,919	399,948	66,780	10,684	-	574,331	126,818
Net pension liability	298,215	1,052,022	135,905	-	-	1,486,142	-
Claims liabilities	-	-	-	-	-	-	798,460
Total noncurrent liabilities	853,383	13,935,008	11,472,062	25,195	112	26,285,760	1,421,372
Total liabilities	1,364,273	18,078,989	12,434,334	129,363	8,459	32,015,418	2,216,769
<b>DEFERRED INFLOWS</b>							
Pensions and OPEB	111,476	404,148	49,535	609	-	565,768	5,299
Total deferred inflows	111,476	404,148	49,535	609	-	565,768	5,299
<b>NET POSITION</b>							
Net investment in capital assets	1,354,023	19,610,074	8,890,227	1,418,132	8,193	31,280,649	5,377,965
Restricted for capital projects	-	1,542,739	-	-	-	1,542,739	-
Unrestricted	201,724	14,528,567	5,049,211	1,238,127	2,594,226	23,611,855	9,604,222
Total net position	\$ 1,555,747	\$ 35,681,380	\$ 13,939,438	\$ 2,656,259	\$ 2,602,419	56,435,243	\$ 14,982,187
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						4,262,910	
Net position of business-type activities on the Government-wide Statement of Net Position						\$60,698,153	

**City of Dunedin, Florida**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2018**

	Business-type Activities - Enterprise Funds						Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Parking	Total	Internal Service Funds
Operating revenues:							
Charges for services	\$ 5,345,346	\$ 16,564,067	\$ 3,708,649	\$ 530,030	\$ 168,510	\$ 26,316,602	\$ 11,267,885
Other operating revenue	33,507	283,628	1,501	25,073	1,381	345,090	51,899
Total operating revenues	<u>5,378,853</u>	<u>16,847,695</u>	<u>3,710,150</u>	<u>555,103</u>	<u>169,891</u>	<u>26,661,692</u>	<u>11,319,784</u>
Operating expenses:							
Personal services	1,390,869	6,086,248	839,718	200,699	4,738	8,522,272	1,989,681
Supplies and services	3,737,670	6,674,617	1,252,275	150,882	653,877	12,469,321	7,967,121
Depreciation	359,685	3,706,867	1,545,973	68,515	139	5,681,179	1,004,505
Total operating expenses	<u>5,488,224</u>	<u>16,467,732</u>	<u>3,637,966</u>	<u>420,096</u>	<u>658,754</u>	<u>26,672,772</u>	<u>10,961,307</u>
Operating income (loss)	<u>(109,371)</u>	<u>379,963</u>	<u>72,184</u>	<u>135,007</u>	<u>(488,863)</u>	<u>(11,080)</u>	<u>358,477</u>
Nonoperating revenues (expenses):							
Intergovernmental	-	-	7,429	-	-	7,429	-
Investment earnings	4,007	377,754	63,713	14,453	16,171	476,098	130,815
Interest/amortization expense	(7,362)	(468,219)	(414,669)	-	-	(890,250)	(6,623)
Gain (loss) on disposal of capital assets	153,981	(100,898)	-	-	(5,223)	47,860	122,910
Total nonoperating revenues (expenses)	<u>150,626</u>	<u>(191,363)</u>	<u>(343,527)</u>	<u>14,453</u>	<u>10,948</u>	<u>(358,863)</u>	<u>247,102</u>
Income before contributions and transfers	41,255	188,600	(271,343)	149,460	(477,915)	(369,943)	605,579
Capital contributions	-	2,599,449	968,000	-	-	3,567,449	-
Transfers in	-	-	-	-	49,000	49,000	142,975
Transfers out	(131,700)	-	-	-	-	(131,700)	-
Change in net position	(90,445)	2,788,049	696,657	149,460	(428,915)	3,114,806	748,554
Net position	1,646,192	32,893,331	13,242,781	2,506,799	3,031,334		14,233,633
Net position - ending	<u>\$ 1,555,747</u>	<u>\$ 35,681,380</u>	<u>\$ 13,939,438</u>	<u>\$ 2,656,259</u>	<u>\$ 2,602,419</u>		<u>\$ 14,982,187</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.						103,311	
Changes in net position of business-type activities on the Government-wide Statement of Activities						<u>\$ 3,218,117</u>	

**City of Dunedin, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2018**

	Business-type Activities - Enterprise Funds						Governmental
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Parking	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 5,331,281	\$ 16,726,326	\$ 3,679,368	\$ 542,151	\$ 168,510	\$ 26,447,636	\$ 11,331,200
Payments to suppliers	(3,664,447)	(6,164,504)	(1,552,341)	(152,576)	(2,598,194)	(14,132,062)	(8,045,533)
Payments to employees	(1,381,174)	(6,017,553)	(823,700)	(196,082)	(4,770)	(8,423,279)	(1,890,278)
Other operating revenues	33,507	283,628	1,501	25,073	1,381	345,090	51,899
Net cash provided by (used in) operating activities	319,167	4,827,897	1,304,828	218,566	(2,433,073)	4,237,385	1,447,288
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers in	-	-	-	-	49,000	49,000	142,975
Transfers out	(131,700)	-	-	-	-	(131,700)	-
Operating Grant	-	-	7,429	-	-	7,429	-
Net cash provided by (used in) noncapital financing activities	(131,700)	-	7,429	-	49,000	(75,271)	142,975
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Purchase of capital assets	(320,182)	(3,915,492)	(283,855)	(34,263)	(8,331)	(4,562,123)	(2,011,135)
Principal paid on capital debt	(136,594)	(1,048,394)	(468,335)	-	-	(1,653,323)	(122,874)
Interest paid on capital debt	(9,012)	(489,077)	(405,746)	-	-	(903,835)	(8,107)
Proceeds from sale of capital assets	164,051	278	-	-	-	164,329	122,910
Proceeds from capital contributions	-	2,599,449	968,000	-	-	3,567,449	-
Net cash provided by (used in) capital and related financing activities	(301,737)	(2,853,236)	(189,936)	(34,263)	(8,331)	(3,387,503)	(2,019,206)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Investment earnings received	4,251	346,621	55,900	11,896	14,939	433,607	109,485
Net cash provided by (used in) investing activities	4,251	346,621	55,900	11,896	14,939	433,607	109,485
Net increase (decrease) in cash and cash equivalents	(110,019)	2,321,282	1,178,221	196,199	(2,377,465)	1,208,218	(319,458)
Cash and cash equivalents - October 1	650,388	14,993,228	4,206,537	1,130,009	3,063,982	24,044,144	11,451,003
Cash and cash equivalents - September 30	\$ 540,369	\$ 17,314,510	\$ 5,384,758	\$ 1,326,208	\$ 686,517	\$ 25,252,362	\$ 11,131,545
CLASSIFIED AS:							
Cash and cash equivalents	\$ 409,316	\$ 14,405,807	\$ 5,384,558	\$ 1,244,197	\$ 686,517	\$ 22,130,395	\$ 11,131,545
Restricted cash and cash equivalents	131,053	2,908,703	200	82,011	-	3,121,967	-
Total cash and cash equivalents	\$ 540,369	\$ 17,314,510	\$ 5,384,758	\$ 1,326,208	\$ 686,517	\$ 25,252,362	\$ 11,131,545
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>							
Operating income (loss)	\$ (109,371)	\$ 379,963	\$ 72,184	\$ 135,007	\$ (488,863)	\$ (11,080)	\$ 358,477
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	359,685	3,706,867	1,545,973	68,515	139	5,681,179	1,004,505
(Increase) decrease in:							
Accounts receivable	(12,685)	128,170	(29,481)	(1,247)	-	84,757	63,315
Inventories	-	36,584	-	-	-	36,584	14,768
Due from other governments	(393)	10,784	-	-	-	10,391	-
Prepaid items	-	-	-	-	(1,908,858)	(1,908,858)	18,672
Deposits	-	-	-	-	-	-	(18,672)
Deferred outflows	7,125	12,880	33	(2,025)	-	18,013	(17,624)
Increase (decrease) in:							
Accounts payable	73,223	473,529	(300,066)	(1,694)	(35,459)	209,533	(93,180)
Accrued wages payable	(6,846)	5,209	95	188	(51)	(1,405)	(883)
Net pension liability	(31,614)	(106,426)	(14,451)	-	-	(152,491)	-
Deposits	(987)	23,305	200	13,368	-	35,886	5,299
Deferred Inflows	15,362	55,058	7,993	609	-	79,022	-
Claims liabilities	-	-	-	-	-	-	84,855
Compensated absences / OPEB	25,668	101,974	22,348	5,845	19	155,854	27,756
Total adjustments	428,538	4,447,934	1,232,644	83,559	(1,944,210)	4,248,465	1,088,811
Net cash provided by (used in) operating activities	\$ 319,167	\$ 4,827,897	\$ 1,304,828	\$ 218,566	\$ (2,433,073)	\$ 4,237,385	\$ 1,447,288

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

# DUNEDIN

Home of Honeymoon Island

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## **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, 2018**

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	<b>Municipal Firefighters Pension Trust Fund</b>
<b>ASSETS</b>	
Investments	
U.S. government obligations	\$ 2,093,081
U.S. government agencies	1,647,236
Corporate equities	20,153,200
Temporary investment funds	617,367
Real estate investment funds	2,964,564
Corporate obligations	2,042,170
Due from other governments	1,207
Prepaid items	869
Interest receivable	36,733
Total assets	<u>29,556,427</u>
<b>LIABILITIES</b>	
Accounts payable	<u>24,290</u>
Total liabilities	<u>24,290</u>
<b>NET POSITION</b>	
Restricted for pensions	<u><u>\$ 29,532,137</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, 2018**

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	<b>Municipal Firefighters Pension Trust Fund</b>
<b>ADDITIONS:</b>	
Contributions	
Employer	\$ 490,695
Plan members	181,279
Excise tax rebate (state of Florida)	301,955
Total contributions	<u>973,929</u>
Investment earnings	
Net appreciation in fair value of investments	2,454,900
Interest	214,911
Dividends	313,536
Total investment earnings	<u>2,983,347</u>
Less investment expenses	<u>(119,112)</u>
Net investment earnings	<u>2,864,235</u>
Miscellaneous revenue	<u>1,732</u>
Total additions	<u>3,839,896</u>
<b>DEDUCTIONS:</b>	
Benefits	1,121,345
Refunds	15,016
Administrative expenses	67,810
Total deductions	<u>1,204,171</u>
<b>Change in net position</b>	<b>2,635,725</b>
Net position - beginning	<u>26,896,412</u>
Net position - ending	<u><u>\$ 29,532,137</u></u>

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

# DUNEDIN

Home of Honeymoon Island

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## **NOTES TO THE FINANCIAL STATEMENTS**

**CITY OF DUNEDIN, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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**NOTE I – 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 37,000 (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 and has operational responsibility for the CRA. 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 THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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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.

GASB statement No. 65 establishes standards whereby certain items that were previously reported as assets and liabilities be reclassified as deferred outflow or deferred inflow of resources. These standards are employed in the financial statement presentation.

**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.

**CITY OF DUNEDIN, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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- The *Stadium Fund* is a special revenue fund to account for the receipts and disbursement of revenues from various recreational activities as mandated upon the issuance of Capital Improvement Recreation Certificates.
- The *One Cent Sales Tax Fund* is a special revenue 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 *Parking Fund* is an enterprise fund and accounts for the financing, operation and maintenance associated with paid and complimentary parking in the downtown area.

Additionally, the City reports the following fund types:

- The *Internal Service Funds* account for building maintenance, vehicle maintenance, self-insurance (risk management for property and casualty and health), and information technology 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.

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 parking 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, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION**

##### **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 and bankers acceptances.

The City's investments in Florida Prime, which the Florida State Board of Administration (SBA) indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

The City has investments in the Florida Surplus Asset Fund Trust which is an inter-local government entity created under the laws of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds. It is a stable Net Asset Value (NAV) investment pool. The Trust includes a liquid money market like investment, called the Florida SAFE Fund and one or more Term Series portfolios.

The City categorizes its fair value measurements within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant

other observable inputs; Level 3 inputs are significant unobservable inputs. Types and amounts of investments held at fiscal year-end are described in a subsequent note.

## **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, 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.

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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, 2018, was 4.1345.

**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 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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

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.

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

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

**7. Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

**8. 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.

**9. 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, bond insurance 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.

**10. 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. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" by recognizing annual Other Postemployment Benefits (OPEB) expense and related obligations.

**11. 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.

**12. Unearned Revenue**

Certain 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.

**13. Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net position that applies to a future time period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

**14. 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.

**15. 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 and Special Revenue 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.

**16. 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 position represents net position restricted for capital projects, community redevelopment, the stadium, housing services, public safety, bequests, 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.

**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, 2018, are presented below.

Fund	Amount
Building Code	\$ 63,100
Solid Waste	423,600
Water/ Sewer Utility	1,355,100
Marina	37,200
Stormwater	297,600
Total	\$ 2,176,600

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

Fund	Amount
Solid Waste	\$ 129,700
Stormwater	91,200
Total	\$ 220,900

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

The governmental fund balance sheet includes a reconciliation between 1) *fund balance - total governmental funds* and 2) *net position - governmental activities* as reported in the government-wide statement of net position.

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between 1) *net changes in fund balances –total governmental funds* and 2) *changes in net position of governmental activities* as reported in the government-wide statement of activities.

**NOTE III – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. 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.
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.

**B. ESTABLISHMENT/ELIMINATION OF FUNDS**

During the fiscal year ended, September 30, 2018, there were no funds established or eliminated:

**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 monthly to each fund based on the fund's cash balance.

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

As of September 30, 2018, the bank balance of the City's deposits was \$15,310,878. 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.



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As of September 30, 2018, the Firefighters Pension Plan's investments are managed under separate investment agreements with Great Lakes Advisors, LLC, Rockwood Capital Advisors, LLC and Harding Loevner LP. These agreements give Regions the custodianship, but gives Great Lakes Advisors, LLC, Rockwood Capital Advisors, LLC and Harding Loevner LP the authority to manage the investments. These assets are invested in accordance with specific investment guidelines as set forth in the Plan.

The Firefighters Pension Plan also invests in Barings Core Property Fund (Barings) which is an alternative real estate investment vehicle. The real estate investment funds are open end, commingled private real estate portfolios valued using the net asset value (NAV) provided by the investment managers of the fund. The NAV is based on the value of the underlying assets owned by these funds minus its liabilities and then divided by the number of shares or percentage of ownership outstanding. The investments of the fund are valued quarterly. Withdrawal requests must be made 60 days in advance and may be paid in one or more installments.

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+)

The City's cash and cash equivalents and investments consisted of the following as of September 30, 2018:

Investment Type	Fair Value	Standard & Poor's Rating	% of Total	Weighted Average Maturity	Hierarchy Level
Florida SAFE	\$ 9,236,944	AAAf	16.51%	59 Days	n/a
US Government Agencies	3,945,140	AA	7.05%		2
Florida CLASS	10,268,554	AAAm	18.36%	73 Days	n/a
SBA - Florida PRIME	2,291,030	AAAm	4.10%	80 Days	n/a
Certificate of Deposits	15,077,555		26.96%		n/a
Cash in bank	15,109,731		27.01%		n/a
Petty cash	3,880		0.01%		n/a
Total Cash and Investments	\$ 55,932,834				

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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. Florida CLASS is an intergovernmental investment pool authorized under Section 218.415 Florida Statutes. SBA-Florida PRIME operates as a '2a-7 like' fund. There are no withdrawal restrictions with SBA-Florida PRIME, Florida CLASS or Florida SAFE.

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:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard &amp; Poor's Rating</u>	<u>% of Total</u>	<u>Effective Duration (In Years)</u>	<u>Hierarchy Level</u>
U.S. Government Obligations	\$ 2,093,081	AA	7.09%	6.8	1
U.S. Government Agencies	1,647,236	AA	5.58%	4.4	2
Corporate Obligations	2,042,170	BAA-A	6.92%	8.1	2
Temporary Investment Funds	617,367	AAA	2.09%	Daily	2
Domestic Stocks	16,127,272		54.64%		1
International Stocks	4,025,928		13.64%		1
Real Estate Investment Fund	2,964,564		10.04%		n/a
Total Pension Funds	<u>\$ 29,517,618</u>				

For both City owned investments and Firefighter Pension owned investments, standardized hierarchy levels are indicated in the investment type listings shown in the table above and in the table on the previous page. The levels were established to provide an understanding of the techniques used to arrive at Fair Value. Investments classified as Level 1 use quoted prices at September 30 in active markets from the custodian bank's external pricing vendor. Investments classified as Level 2 are evaluated prices from the custodian bank's external pricing vendor. This pricing methodology involves the use of evaluation models, such as matrix pricing, which are based on the investments' relationship to benchmark quoted prices.

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. The equity and bond investment mix is targeted at 60% equities and 40% bonds. 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, 2018.

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 6.8 years; the U.S. Government agencies had an effective duration of 4.4 years, and corporate obligations had an effective duration of 8.1 years.

**2. Receivables**

a. Notes Receivable

On March 11, 2016 the City entered into a Development Agreement with Developer, 203 N. Marion Street, L.L.C. to convey City property valued at \$400,000. During the same time period the same Developer and the City entered into a Parking Garage Lease whereby the

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City will lease 215 parking spaces from the Developer. In return for the conveyance of the City property to the Developer, the Developer will pay its purchase price money obligation amortized over a 20 year period with interest and annual installments of \$32,211. The payments to the City will be applied against the City's obligations under the terms of the Parking Garage Lease.

**b. Receivables**

Receivables as of the fiscal year ended September 30, 2018, for the City's major governmental and enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Stadium	One Cent Sales Tax	CRA <sup>1</sup>	Solid Waste	Water/ Sewer Utility	Storm- water Utility	Marina	Parking	Total
Receivables:										
Accounts Billed	\$696,192	\$ -	\$ -	\$ -	\$ 192,489	\$ 568,117	\$ 118,863	\$39,868	\$ -	\$ 1,615,529
Accounts Unbilled	-	-	-	-	386,404	1,200,033	265,556	-	-	1,851,993
Liens	-	-	-	-	11,523	4,165	1,945	-	-	17,633
Reclaimed										
Connection Fees	-	-	-	-	-	214,347	-	-	-	214,347
Interest	38,049	7,687	29,158	1,398	1,886	70,552	21,424	5,457	7,310	182,921
Gross Receivables	734,241	7,687	29,158	1,398	592,302	2,057,214	407,788	45,325	7,310	3,882,423
Less: Allowance for Uncollectibles	787	-	-	-	10,459	28,040	5,054	5,692	-	50,032
Net Total Receivables	<u>\$733,454</u>	<u>\$ 7,687</u>	<u>\$29,158</u>	<u>\$1,398</u>	<u>\$ 581,843</u>	<u>\$2,029,174</u>	<u>\$ 402,734</u>	<u>\$39,633</u>	<u>\$ 7,310</u>	<u>\$ 3,832,391</u>

<sup>1</sup> Community Redevelopment Agency (CRA)

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.

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**3. Capital Assets**

a. Capital Asset Activity

Capital asset activity for the fiscal year ended September 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 22,101,254	\$ -	\$ (2,402)	\$ 22,098,852
Construction in Process	238,465	1,184,631	(48,282)	1,374,814
Total Capital not being Depreciated	<u>22,339,719</u>	<u>1,184,631</u>	<u>(50,684)</u>	<u>23,473,666</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	46,781,115	293,088	-	47,074,203
Infrastructure	11,911,982	295,656	-	12,207,638
Improvements other than Buildings	30,931,117	194,947	(13,876)	31,112,188
Machinery and Equipment	21,626,325	2,341,489	(1,259,653)	22,708,161
Total Capital Assets being Depreciated	<u>111,250,539</u>	<u>3,125,180</u>	<u>(1,273,529)</u>	<u>113,102,190</u>
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(23,129,133)	(1,515,703)	-	(24,644,836)
Infrastructure	(3,339,010)	(419,509)	-	(3,758,519)
Improvements other than Buildings	(19,673,616)	(1,310,609)	7,054	(20,977,171)
Machinery and Equipment	(16,137,840)	(1,263,988)	1,259,653	(16,142,175)
Total Accumulated Depreciation	<u>(62,279,599)</u>	<u>(4,509,809)</u>	<u>1,266,707</u>	<u>(65,522,701)</u>
Total Capital Assets being Depreciated, net	<u>48,970,940</u>	<u>(1,384,629)</u>	<u>(6,822)</u>	<u>47,579,489</u>
Governmental Activities Capital Assets, net	<u>\$ 71,310,659</u>	<u>\$ (199,998)</u>	<u>\$ (57,506)</u>	<u>\$ 71,053,155</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 648,676	\$ -	\$ -	\$ 648,676
Construction in Process	131,472	2,722,599	(6,682)	2,847,389
Total Capital not being Depreciated	<u>780,148</u>	<u>2,722,599</u>	<u>(6,682)</u>	<u>3,496,065</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	16,545,899	67,377	(43,567)	16,569,709
Improvements other than Buildings	143,443,407	1,222,358	(673,726)	143,992,039
Machinery and Equipment	5,362,862	556,473	(34,478)	5,884,857
Total Capital Assets being Depreciated	<u>165,352,168</u>	<u>1,846,208</u>	<u>(751,771)</u>	<u>166,446,605</u>
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(15,779,084)	(113,504)	43,567	(15,849,021)
Improvements other than Buildings	(89,756,585)	(5,085,091)	567,325	(94,274,351)
Machinery and Equipment	(3,126,929)	(482,584)	24,408	(3,585,105)
Total Accumulated Depreciation	<u>(108,662,598)</u>	<u>(5,681,179)</u>	<u>635,300</u>	<u>(113,708,477)</u>
Total Capital Assets being Depreciated, net	<u>56,689,570</u>	<u>(3,834,971)</u>	<u>(116,471)</u>	<u>52,738,128</u>
Business-type Activities Capital Assets, net	<u>\$ 57,469,718</u>	<u>\$ (1,112,372)</u>	<u>\$ (123,153)</u>	<u>\$ 56,234,193</u>

**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	\$ 520,880
Public Safety	294,138
Transportation	616,035
Economic	385,096
Culture and Recreation	1,689,155
Internal Service Funds	1,004,505
Total Depreciation Expense	<u>\$ 4,509,809</u>

Business-type Activities:

Solid Waste	\$ 359,685
Water/Sewer Utility	3,706,867
Stormwater Utility	1,545,973
Marina	68,515
Parking	139
Total Depreciation Expense	<u>\$ 5,681,179</u>

c. Construction Contracts

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

	<u>September 30, 2018</u>	
	<u>Estimated Project Amount</u>	<u>Construction in Progress</u>
<u>Governmental Activities:</u>		
The City contracted with a vendor for a new Citywide ERP software system.	\$ 1,006,890	\$ 511,549
The City has begun the design process to replace the cart barn and pro shop at the Dunedin Golf Club.	200,000	25,842
The City has begun the design process for the construction of a boardwalk at Hammock Park.	50,000	8,741
The City has begun the design process for improvements to the Toronto Blue Jays Spring Training Facilities.	81,000,000	817,782
The City contracted for the construction of crosswalk improvements at Edgewater Drive and Albert Street.	40,000	10,900
Total Governmental Activities	<u>\$ 82,296,890</u>	<u>\$ 1,374,814</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, 2018	
	Estimated Project Amount	Construction in Progress
<u>Marina Fund:</u>		
The City has contracted for design services related to improvements to docks A, B and C at the Marina.	\$ 250,000	\$ 19,600
The City contracted for engineering services related to the removal of sediment from the City Marina.	937,500	37,767
<u>Water/Sewer Utility Fund:</u>		
The City contracted for design services to rehab the Reverse Osmosis Water Treatment Plant.	25,483,430	2,725,710
The City contracted for design services to rehab the Denite Filter Building at the Wastewater Plant.	850,000	19,360
The City contracted for design services required for the rehabilitation of wastewater lift stations #8, #15 and #32.	980,000	30,554
The Engineering Section budgeted for a portion of the new ERP software system.	15,000	14,398
Total Enterprise Funds	\$ 28,515,930	\$ 2,847,389

d. Other Significant Commitments

The government had active projects as of September 30, 2018. The major projects are listed below: At year end, the City's significant outstanding purchase commitments were as follows:

<u>Project</u>	<u>Remaining Commitment</u>
Stadium & Englebert Improvements	\$ 4,598,664
Water Treatment Plant Design and Build	1,278,263
Fleet Vehicle Commitments	1,182,533
Lakewood Estates Drainage Improvements	813,057
Wastewater Treatment Plant Denite Filter Rehab	701,888
Wastewater Treatment Plant Blowers	487,500
Enterprise Resource Planning (ERP) System Replacement	473,517
Stormwater Master Plan Update	389,021
Wastewater Treatment Plant Blowers	344,670
	\$ 10,269,113

The remaining commitment amounts were encumbered at fiscal yearend.



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**4. Interfund Transfers, Receivables and Payables**

a. Interfund Transfers

Transfers Out:	Transfers In:							Total
	General	Stadium	One Cent Sales Tax	Non Major Government	Parking	Internal Service		
General	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	
One Cent Sales Tax	-	5,663,000	-	-	-	11,275	5,674,275	
CRA	28,400	-	-	66,000	49,000	-	143,400	
Non-Major Governmental	-	-	14,204	-	-	-	14,204	
Solid Waste	-	-	-	-	-	131,700	131,700	
<b>Total Transfers</b>	<b>\$ 28,400</b>	<b>\$ 5,763,000</b>	<b>\$ 14,204</b>	<b>\$ 66,000</b>	<b>\$ 49,000</b>	<b>\$ 142,975</b>	<b>\$ 6,063,579</b>	

The General Fund transferred \$100,000 into the Stadium Fund to support annual operations and maintenance needs.

The One Cent Sales Tax Fund transferred \$5,663,000 to the Stadium Fund for capital costs associated with the Stadium and Spring Training Facilities Reconstruction. In addition, \$11,275 was transferred to the IT Services Internal Service Fund for capital costs associated with the City's new ERP system.

The CRA Fund transferred \$28,400 to the General Fund to offset expenditures of \$16,400 related to three downtown events and \$12,000 for grounds maintenance of the downtown community redevelopment district. In addition, the CRA transferred \$66,000 to the Impact Fee Fund for Economic Incentives associated with the Victoria Place Development and \$49,000 to the Parking Fund to pay for parking lot leases within the CRA district.

The Impact Fee Funds transferred \$14,204 to the One Cent Sales Tax Fund to payback a portion of a FY 2016 purchase of vacant land adjacent to Hammock Park.

The Solid Waste Fund transferred \$131,700 to the Fleet Fund as a partial reimbursement for Solid Waste vehicles purchased by Fleet in FY 2012 that were not part of the vehicle replacement program.

b. Interfund Receivables and Payables

Due From Other Funds / Receivable		Due To Other Funds / Payable	
Fund	Amount	Fund	Amount
Impact Fee Fund	\$ 786,374	One Cent Sales Tax Fund	\$ 786,374

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In Fiscal Year 2016, the City purchased parkland out of the One Cent Sales Tax Fund. The Fund will be reimbursed by Park Impact Fees as the monies are collected.

**B. LONG-TERM DEBT**

The following presents the long-term debt during the fiscal year ended September 30, 2018:

**1. Capital Leases**

On December 29, 2015, the City entered into a lease-purchase agreement to finance \$1,318,562 in vehicles, one fire truck and two sanitation vehicles. This five-year capital lease has a 1.61% interest rate and provides for annual payments of \$276,585.

The future minimum lease obligations and the net present value of these minimum lease payments at September 30, 2018, were as follows:

Fiscal Year	Annual Payments
2019	\$ 276,585
2020	276,585
2021	276,585
Total Minimum Lease Payments	829,755
Less: Amount Representing Interest	26,017
Present Value of Minimum Lease Payments	<u>\$ 803,738</u>

**2. Non-current Liabilities**

a. Spring Training Facility - Sales Tax Refunding Revenue Notes, 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

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principal and interest on Series 2001C, and to pay issuance costs of the new debt. Final payments were made on both Series 2012A and 2012B on April 5, 2016.

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 term, interest rate and monthly payments are as follows:

	<u>Series 2012</u>
Original Amount Issued	\$ 3,280,000
Final Maturity	April 1, 2021
Interest Rates	1.51%
Monthly Payments	<u>\$ 34,596</u>
Amount Outstanding at September 30, 2018	<u>\$ 1,051,128</u>

b. Community Center - Sales Tax Refunding Revenue Bonds, Series 2015

On January 23, 2015, the City issued \$6,505,000 Sales Tax Refunding Revenue Bond, Series 2015, authorized by Resolutions 14-37, 14-38 and 15-04, collectively the 2015 Bond Resolution. The City's Sales Tax Revenues are pledged as collateral. 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 original bonds were used to pay or reimburse the costs of acquisition, construction, and equipment installation for the City Community Center.

The net proceeds of the Series 2015 Bonds were deposited into an irrevocable trust with an escrow agent to provide funds for future debt service payments. As a result, the Sales Tax Revenue Bonds, Series 2005 are considered defeased and the liability for those bonds have been removed from the statement of net position. The Series 2005 Bonds were redeemed on October 1, 2015.

The City advance refunded the Series 2005 Bonds to reduce its total debt service payments over 10 years by \$553,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$498,000.

The term, interest rate and payments are as follows:

Original Amount Issued	\$ 6,505,000
Final Maturity	October 1, 2025
Interest Rate	1.96%
Annual Payments Range	<u>\$ 543,000 - 676,000</u>
Amount Outstanding at September 30, 2018	<u>\$ 4,970,000</u>

**CITY OF DUNEDIN, FLORIDA**  
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c. Fire Station - Non Ad Valorem Revenue Note, Series 2013

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 constructing Fire Station #61.

The term, interest rate and payments are as follows:

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, 2018	\$	<u>987,000</u>

d. Water and Sewer System Refunding Revenue Bonds, Series 2012

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 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.

The term, interest rate and payments are as follows:

Original Amount Issued	\$	17,900,000
Final Maturity		October 1, 2027
Interest Rate Range		3.00% - 5.00%
Annual Payments Range	\$	<u>1,595,000 - 1,600,000</u>
Amount Outstanding at September 30, 2018	\$	<u>13,145,000</u>

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e. Stormwater System Revenue and Refunding Bonds, Series 2012

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. 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.

The term, interest rate and payments are as follows:

Original Amount Issued	\$	5,876,000
Final Maturity		October 1, 2032
Interest Rate		3.04%
Annual Payments	\$	<u>400,000</u>
Amount Outstanding at September 30, 2018	\$	<u>4,762,000</u>

f. Stormwater System Revenue Bonds, Series 2014

On December 18, 2014, the City issued \$6,120,000 Stormwater System Revenue Bonds, Series 2014, pursuant to both Resolution 12-18 and 14-36 adopted by the City Commission of the City of Dunedin. 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.

The term, interest rate and payments are as follows:

Original Amount Issued	\$	6,120,000
Final Maturity		October 1, 2044
Interest Rate		2.00% - 4.00%
Annual Payments	\$	<u>340,000</u>
Amount Outstanding at September 30, 2018	\$	<u>5,760,000</u>

**CITY OF DUNEDIN, FLORIDA**  
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g. Pledged Revenue Disclosures

The City has pledged a portion of future non ad valorem revenues for the repayment of the Spring Training Facility and the Fire Station Notes. Future State and County revenues were also pledged for the repayment of the Spring Training Facility. For the current year, principal and interest paid for both Notes were \$521,109. Legally available non ad valorem revenues were \$6,490,935 and payments from the State totaled \$500,004.

The City has pledged a portion of future half cent sales tax revenue to repay the Community Center Refunding Bonds. Principal and interest payments of \$667,949 were paid in the current year and half cent sales tax revenues were \$2,351,985.

The City has pledged the net revenues of the water/sewer and stormwater utility systems to repay the Water and Sewer System Refunding Revenue Bonds, Series 2012. Principal and interest payments paid for the current year and net revenue for the water/sewer utility were \$1,457,235 and \$4,464,584 respectively. Principal and interest payments paid for the current year and net revenue for the stormwater utility were \$119,927 and \$1,681,870 respectively.

The City has pledged the gross revenues of the stormwater utility system to repay the Stormwater System Revenue and Refunding Bonds, Series 2012 and the Stormwater System Revenue Bonds, Series 2014. The current year principal and interest paid for these stormwater bonds were \$724,911 and total gross revenues were \$3,773,863.

h. 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>	
2019	\$ 1,184,877	\$ 138,215	\$ 1,618,793	\$ 837,994	\$ 3,779,879
2020	1,200,012	116,393	1,679,028	779,937	3,775,370
2021	1,051,858	94,630	1,734,298	719,049	3,599,835
2022	699,000	77,046	1,649,000	656,007	3,081,053
2023	712,000	62,437	1,713,000	586,589	3,074,026
2024-2028	2,438,000	107,904	9,636,000	1,903,011	14,084,915
2029-2033	103,000	1,480	2,800,000	859,299	3,763,779
2034-2038	-	-	1,185,000	504,481	1,689,481
2039-2043	-	-	1,425,000	259,219	1,684,219
2044-2048	-	-	650,000	24,563	674,563
<b>Total</b>	<b>\$ 7,388,747</b>	<b>\$ 598,105</b>	<b>\$ 24,090,119</b>	<b>\$ 7,130,149</b>	<b>\$ 39,207,120</b>

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**3. Changes in Long-Term Liabilities**

Long-term liability activities for the year ended September 30, 2018, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds and notes payable	\$ 8,044,120	\$ -	\$ (1,035,992)	\$ 7,008,128	\$ 1,060,025
Capital leases	503,493	-	(122,874)	380,619	124,852
Compensated absences	1,749,454	194,403	(16,814)	1,927,043	59,384
OPEB liability	896,522	532,132	-	1,114,297	-
Claims	969,874	325,028	(240,173)	1,054,729	256,269
Governmental activity long-term liabilities	<u>\$ 12,163,463</u>	<u>\$ 1,051,563</u>	<u>\$ (1,415,853)</u>	<u>\$ 11,484,816</u>	<u>\$ 1,500,530</u>
<b>Business-Type Activities:</b>					
Bonds and notes payable	\$ 25,095,000	\$ -	\$ (1,428,000)	\$ 23,667,000	\$ 1,480,000
Deferred amounts for:					
Unamortized premiums	952,154	-	(88,729)	863,425	88,729
Total revenue bonds	26,047,154	-	(1,516,729)	24,530,425	1,568,729
Capital leases	559,712	-	(136,594)	423,119	138,793
Compensated absences	955,098	89,085	(22,054)	1,022,129	42,864
OPEB liability	485,508	88,823	-	574,331	-
Business-type activity long-term liabilities	<u>\$ 28,047,472</u>	<u>\$ 177,908</u>	<u>\$ (1,675,377)</u>	<u>\$ 26,550,004</u>	<u>\$ 1,750,386</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, \$240,327 and \$126,818 of internal service funds' compensated absences and OPEB liability, 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 OPEB liability 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.

**NOTE V – OTHER INFORMATION**

**A. PENSION**

**1. Florida Retirement System (FRS) and Retiree Health Insurance (HIS) Program**

In fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, for reporting the employers' proportionate share of the net pension liabilities for the FRS and HIS defined benefit pension plans.

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Detailed information about FRS and HIS Pension Plans' fiduciary net positions are available in the separately issued FRS Comprehensive Annual Financial Report (CAFR). The FRS CAFR is available by mail P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone at (850) 907-6500; by e-mail at [rep@dms.myflorida.com](mailto:rep@dms.myflorida.com); or at the Division's Web site ([http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications)).

Florida Retirement System (FRS)

*Plan Description* - All of the City's non uniformed full-time employees (hired before January 1, 1996) participate in the Florida Retirement System (FRS). It is a cost-sharing, multiple-employer defined benefit pension plan.

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.

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 1.60% 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.

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%.



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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 1<sup>st</sup>. For the period of October 1, 2017 to June 30, 2018, the contribution rates, by job class, were as follows: regular employees 7.92%, senior management 22.71%, and DROP participants 13.26%. The City's contribution includes .06% for an administrative and educational fee. For the period of July 1, 2018 to September 30, 2018, the contribution rates, by job class, were as follows: regular employees 8.26%, senior management 24.06%, and DROP participants 14.03%. The City's contribution includes .06% for an administrative and educational fee. 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.

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The City's contributions to the FRS Pension Plan (not including the 1.66 percent HIS Program Contributions or employee contributions) totaled \$230,277 for fiscal year ending September 30, 2018. Employee contributions totaled \$64,186 for the same period.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – At September 30, 2018 the City reported a liability of \$2,397,146 for its proportionate share of the FRS Pension Plan net pension liability. The City's proportionate share of the total FRS net pension plan liability was .007958517%.

For the year ended September 30, 2018, the City recognized pension expense of \$118,018 for the FRS Pension Plan. At September 30, 2018 the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 203,074	\$ (7,371)
Changes of assumptions	783,271	-
Net difference between projected and actual earnings	-	(185,209)
Changes in City proportion	65,675	(636,834)
Subtotal	<u>1,052,020</u>	<u>(829,414)</u>
City contributions subsequent to the measurement date	63,242	-
Total	<u>\$ 1,115,262</u>	<u>\$ (829,414)</u>

The deferred outflows of resources related to pensions totaling \$63,242 resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended September 30, 2019. Other amounts reported for the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

Year ended September 30:	
2019	\$ 178,241
2020	45,222
2021	(104,145)
2022	53,385
2023	48,071
Thereafter*	<u>1,832</u>
	<u>\$ 222,606</u>

\* Note that additional future deferred inflows and outflows of resources may impact these numbers.

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*Actuarial Assumptions* – The total pension liability for the FRS Pension Plan was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions listed below.

The actuarial assumptions that determined the total pension liability of the FRS Pension Plan as of June 30, 2018, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Valuation Date	July 1, 2018
Measurement date	June 30, 2018
Discount rate	7.00%
Investment rate of return	7.00%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with projection scale BB
Actuarial cost method	Individual Entry Age

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in funding valuations of the defined pension plan pursuant to section 216.136 (10), Florida Statutes. The following changes in actuarial assumptions occurred in 2018:

- The discount rate and long-term expected rate of return were both reduced by 0.10 percent from 7.10 percent to 7.00 percent and the active member mortality assumption was updated.

*Discount Rate* – The discount rate used to measure the total pension liability for the FRS Pension Plan disclosed above is based on a projection of cash flows that assumed that employee contributions will be made at the current contribution rate and the contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the FRS Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Long-Term Expected Rate of Return* – To develop an analytical basis for the selection of the long-term assumption for the FRS Pension Plan, the 2018 FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by multiple contracted capital market assumptions teams. The table below shows resulting assumptions for each of the asset classes in which the plan was invested based on the long-term target asset allocation. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on

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historical returns, but instead are based on a forward-looking capital market economic model. The expected real rate of return is presented in arithmetic means.

Asset Class	Target Allocation	Long-Term Arithmetic Expected Real Rate of Return
Cash	1.0%	2.9%
Fixed Income	18.0%	4.4%
Global Equity	54.0%	7.6%
Real Estate	11.0%	6.6%
Private Equity	10.0%	10.7%
Strategic Investments	6.0%	6.0%
<b>Total</b>	<b>100%</b>	

*Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate* – The following presents the City's proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 7.00 percent. Also presented is what the City's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's proportionate share of the FRS Pension Plan net pension liability	\$ 4,374,893	\$ 2,397,146	\$ 754,511

Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

*Plan Description* – The HIS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance. Persons are eligible for health insurance subsidy payments who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system except those individuals who are pension recipients under Section 121.40, 237.08(18)(a) and 250.33, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System and:

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- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.
- For a member of FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

Any person retiring on or after July 1, 2001, as a member of the FRS including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability per provisions under Chapter 112, Florida Statutes.

*Benefits Provided* – The benefit of the HIS Pension Plan is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. Terms of the benefits provided by the Plan may be amended only by the State Legislature with a change in the Statutes governing the Plan.

*Contributions* – The HIS Pension Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2018, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. There are no employee contributions required for the HIS Pension Plan. HIS Pension Plan contributions are deposited in a separate trust fund from which HIS payments are authorized.

The City's contributions to the HIS Pension Plan totaled \$46,162 for the fiscal year ended September 30, 2018.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – At September 30, 2018 the City reported a liability of \$925,216 for its proportionate share of the HIS Pension Plan net pension liability. The City's proportionate share of the total HIS net pension plan liability was .008741557%.

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For the year ended September 30, 2018, the City recognized pension expense of \$50,125 for the HIS Pension Plan. At September 30, 2018 the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 14,165	\$ (1,572)
Changes of assumptions	102,895	(97,822)
Net difference between projected and actual earnings	558	-
Changes in City proportion	-	(346,909)
Subtotal	117,618	(446,303)
City contributions subsequent to the measurement date	11,936	-
Total	<u>\$ 129,554</u>	<u>\$ (446,303)</u>

The deferred outflows of resources related to pensions totaling \$11,936 resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended September 30, 2019. Other amounts reported for the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

Year ended September 30:	
2019	\$ (72,005)
2020	(72,052)
2021	(65,604)
2022	(50,866)
2023	(43,721)
Thereafter*	<u>(24,437)</u>
	<u>\$ (328,685)</u>

\* Note that additional future deferred inflows and outflows of resources may impact these numbers.

*Actuarial Assumptions* – Actuarial valuations for the HIS Program are conducted biennially. The July 1, 2018, HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for the June 30, 2018, financial reporting exhibits shown on the following page. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB Measurement Date using standard actuarial roll forward procedures. The discount rates used at the two liability measurement dates differ due to changes in the applicable municipal bond index between dates.

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The actuarial assumptions that determined the total pension liability of the HIS Pension Plan as of June 30, 2018, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Valuation Date	July 1, 2018
Measurement date	June 30, 2018
Discount rate	3.87%
Investment rate of return	N/A
Bond Buyer General 20-Bond Municipal Bond	3.87%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with projection scale BB
Actuarial cost method	Individual Entry Age

*Discount Rate* – In general the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Pension Plan is essentially funded on a pay as you go basis, the depletion date is considered to be immediate, and the single rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate increased by .29% from 3.58% at June 30, 2017 to 3.87% at June 30, 2018 due to changes in the applicable municipal bond index.

*Long-Term Expected Rate of Return* – as stated above, the HIS Pension Plan is essentially funded on a pay as you go basis. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumption for cash flows into and out of the pension plan, or assumed asset allocation.

*Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate* – The following presents the City's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.87 percent. Also presented is what the City's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
City's proportionate share of the HIS Pension Plan net pension liability	\$ 1,053,767	\$ 925,216	\$ 818,062

**2. Firefighters' Retirement Fund**

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.I., 1956 Bayshore Boulevard, Dunedin, FL, 34698.

GASB Statement 67 *Financial Reporting For Pension Plans*, requires certain disclosures to be made for state and local government pension plans. It requires the net pension liability (asset) to be measured as the total pension liability, less the amount of the pension plan's fiduciary net position. The total pension liability (asset) should be determined by (a) an actuarial valuation as of the date of measurement, or (b) the use of update procedures to roll forward the measurement date amounts from an actuarial valuation as of a date no more than 24 months prior to the pension plan's fiscal year end. Since the Firefighters' Pension Plan issues its own financial statements incorporating these disclosures, these disclosures are not included in the City's notes to its financial statements.

*Contributions* are received from members through payroll deductions at 5.5% of wages. Employer contributions include Chapter 175 Premium Tax Refunds received from the State of Florida under Florida Statutes and any additional amount determined by the actuary to fund the plan properly according to State Laws. If a non-vested firefighter retires, dies, becomes disabled, or terminates employment with the City, accumulated contributions paid by the firefighter are refunded to the firefighter or the designated beneficiary.

Plan Membership in the Plan as of October 1, 2016:

Group	Number of Employees
Inactive plan members or beneficiaries currently receiving benefits	46
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	49
Total	95

*Pension Benefits* under the Plan include retirement benefits as well as death and disability benefits. To be eligible for normal retirement the participant must be age 55 with 10 years of service or age 52 with 25 years of service. Benefits are equal to 3% of the participant's average final compensation for each of the first 25 years of credited service and 2% of average compensation for each year in excess of 37.5 years. Service between 25 and 37.5 years does not add benefits. Beginning in April 2003, a supplemental monthly benefit of \$3 per year of service, not to exceed \$75, was added for future retirees. In fiscal year 2016 the supplemental monthly benefit was increased to \$13 per year of service, and the limitation not to exceed \$75 was increased to \$325. A participant is vested after ten years of service.



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*Deferred Retirement Option Plan (DROP)* is available to any plan member who is eligible to receive a normal retirement pension. Upon electing to participate in DROP, the member becomes a retiree for all Plan purposes while continuing his or her active employment as a firefighter. He or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the member as a result of retirement are accumulated and invested in the DROP to be distributed to the member 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.

*Basis of Accounting* - 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.

*Valuation of Investments* – Investments of common stock and bonds traded on a national securities exchange are valued at the last reported sales price on the last business day of the plan year; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the past reported bid and asked prices; investments in securities not having an established market value are valued at fair value as determined by the Board of Trustees. The fair value of an investment is the amount that the Plan could reasonably expect to receive for it in a current sale between market participants, other than in a forced or liquidated sale. Investment transactions are recorded on a trade date basis.

Investment income is recognized on the accrual basis as earned. Unrealized appreciation or depreciation in fair value of investments includes the differences between cost and fair value of investments held. The net realized and unrealized investment appreciation or depreciation for the year is reflected in the Statement of Change in Fiduciary Net Pension.

The City's Firefighters' Pension Plan's net pension liability (asset) recorded in the September 30, 2018 financial statements was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

The City's firefighters' net pension liability at September 30, 2018 will agree to the Change in Net Pension Liability (Asset) schedule that is presented on the following page. The City's firefighters' pension plan's fiduciary net position used in the calculation is dated as of the measurement date of September 30, 2017 and will agree to the Pension Plan's financial statements as of September 30, 2017.

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*Actuarial Assumptions* – The total pension liability (asset) was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions:

Inflation	2.50%
Salary increases	Service Based
Discount Rate	7.50%
Investment rate of return	7.50%

*Mortality Rate Healthy Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

*Mortality Rate Disabled Lives:*

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The inflation assumption remained the same as prior year at 2.50%.

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, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	52.50%	7.50%
International Equity	12.50%	8.50%
Domestic Fixed Income	25.00%	2.50%
Real Estate	10.0%	4.50%
Total	100.00%	

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Changes in Net Pension Liability (Asset)

	Firefighters' Plan Increase (Decrease)		
	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at September 30, 2016	\$ 26,006,553	\$ 25,285,901	\$ 720,652
Changes for the year:			
Service cost	856,749	-	856,749
Interest	1,969,652	-	1,969,652
Share Plan Allocation	11,304	-	11,304
Difference between actual & expected experience	(89,355)	-	(89,355)
Contributions - Employer	-	446,583	(446,583)
Contributions - Employer (through state)	-	298,122	(298,122)
Contributions - Employee	-	180,673	(180,673)
Contributions - Buy Back	1,118	1,118	-
Net investment income	-	1,888,678	(1,888,678)
Benefit Payments, Including Refunds of Employee Contributions	(1,138,395)	(1,138,395)	-
Administrative expense	-	(62,596)	62,596
Net changes	1,611,073	1,614,183	(3,110)
Balance at September 30, 2017	\$ 27,617,626	\$ 26,900,084	\$ 717,542

*Discount Rate* – The discount rate used to measure the total pension liability was 7.50 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 the City’s 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.

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*Sensitivity of Net Pension Liability to Changes in the Discount Rate* – The following table illustrates the impact of interest rate sensitivity on the net pension liability (asset) as of September 30, 2018.

	1% Decrease 6.50%	Rate 7.50%	1% Increase 8.50%
City's net pension liability (asset) \$	3,904,479	\$ 717,542	\$ (1,955,528)

Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.

For the year ended September 30, 2018, the City will recognize a pension expense of \$1,088,380. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience	\$ -	\$ (695,142)
Changes of Assumptions	120,912	-
Net difference between projected and actual earnings on Pension Plan investments	986,097	-
	<u>1,107,009</u>	<u>(695,142)</u>
Employer and state contributions subsequent to the measurement date	760,579	-
Total	<u>\$ 1,867,588</u>	<u>\$ (695,142)</u>

The deferred outflows of resources related to the City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net position liability (asset) for the year ended September 30, 2019. Deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2019	\$ 254,900
2020	288,979
2021	(113,635)
2022	(18,377)
	<u>\$ 411,867</u>

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The following summarizes net pension asset, net pension liability, and deferred inflow/outflow of resources previously disclosed for the Defined Benefit Pension Plans:

	Net Pension Liability	Deferred Outflow of Resources	Deferred Inflow of Resources
FRS	\$ 2,397,146	\$ 1,115,262	\$ 829,414
HIS	925,216	129,554	446,303
Firefighters'	717,542	1,867,588	695,142
	<u>\$ 4,039,904</u>	<u>\$ 3,112,404</u>	<u>\$ 1,970,859</u>

**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 Empower Retirement under their prototype Profit-Sharing Plan and Trust Agreement. At September 30, 2018, there were 246 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 five years of continuous service, 75% vested after four years of service, and 50% vested after three years of service.

City contributions for, and interest forfeited by, employees who leave employment before five 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, 2018, was \$18,757,886. The City's contributions were calculated using the participants' salary amount of \$11,321,582. The City's contributions to the Plan for the years ended September 30, 2018, 2017, and 2016 were \$1,010,105, \$976,255, and \$950,784, respectively.

**B. SELF INSURANCE PROGRAM**

As a public entity, the City always has the potential risk for exposure to: torts; theft of, damage to and destruction of assets; errors and omissions by employees; injuries to employees and citizens; and natural disasters.

In 2009, the City established a Self-Insurance Fund which is an Internal Service Fund to account for and finance a portion of any uninsured loss. The City utilizes this fund to self-insure the first \$100,000 of property damage per occurrence (except wind, hail, and named storms). Other deductibles include 5% for Named Storm, subject to a minimum of \$500,000; \$100,000 for all other Wind, \$100,000 for Flood damage, and \$350,000 of any employee work injuries (i.e. workers compensation claims). The City also self-insures the first \$25,000 of all auto liability and the majority of general liability losses. Separate insurance policies are maintained for other

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purposes, such as Camp liability for Dunedin Recreation’s camps and Marina Operators Liability for the Dunedin Marina. Such coverages are fully insured and in most cases, subject to a deductible. All claims for general liability, settlements, insurance premiums and deductibles for covered assets are included within the City’s Self-Insurance Fund.

The City is a governmental entity entitled to all statutory protection for such entities, including Fla. Statutes § 768.28 (5). Settled claims have not exceeded the overall program premiums since the plan’s inception.

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 \$3.5 million in reserves per Resolution No. 08-02 adopted on December 6, 2007.

The claims liability of \$815,481, reported in the Fund at September 30, 2018, 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, 2018, are as follows:

	Workers Compensation	Property and Liability	Total
Claims reserve, September 30, 2016	\$ 274,310	\$ 144,379	\$ 418,689
Plus: Incurred claims and reserve adjustments	728,169	408,525	1,136,694
Less: Paid claims and reserve adjustments	<u>(480,425)</u>	<u>(284,575)</u>	<u>(765,000)</u>
Claims reserve, September 30, 2017	522,054	268,329	790,383
Plus: Incurred claims and reserve adjustments	347,009	138,894	485,903
Less: Paid claims and reserve adjustments	<u>(331,516)</u>	<u>(129,289)</u>	<u>(460,805)</u>
Claims reserve, September 30, 2018	<u>\$ 537,547</u>	<u>\$ 277,934</u>	<u>\$ 815,481</u>

The City is also self-insured for its Employee Health Plans. The Health Benefits Fund was established October 1, 2010. The Fund 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 to the health plans (i.e. medical and dental insurance) 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 \$110,000 per individual with an annual aggregate stop-loss of 125% of total claims. No claims have exceeded the annual aggregate maximum since the Plan’s inception.

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Changes in the Fund’s claims liability amount during the year ended September 30, 2018, are as follows:

	Health Benefit Plan
Claims reserve, October 1, 2016	\$ 150,121
Plus: Incurred claims and reserve adjustments	2,749,637
Less: Paid claims and reserve adjustments	<u>(2,720,267)</u>
Claims reserve, September 30, 2017	179,491
Plus: Incurred claims and reserve adjustments	3,356,559
Less: Paid claims and reserve adjustments	<u>(3,296,803)</u>
Claims reserve, September 30, 2018	<u>\$ 239,248</u>

**C. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions”, replaces the requirement of GASB No. 45 and established new accounting and reporting requirements for postretirement benefits (OPEB). The standard does not require funding of OPEB expense, but any difference between the amount funded to the plan and the OPEB liability is required to be recorded in the employer's financial statement as an increase (or decrease) in the net OPEB liability. The City is a pay as you go plan, there for the full OPEB liability is recorded in the statements.

**Plan Description and Funding Policy**

Employees who retire from the City of Dunedin and their dependents 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 320 active employees and 9 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 trust has not been established to fund the plan. The plan does not issue a separate financial report.

**CITY OF DUNEDIN, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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**Total OPEB Liability**

The measurement date for the City's OPEB liability is September 30, 2018, the same as the reporting date. The measurement period for the OPEB cost was October 1, 2017 to September 30, 2018. The components of the City's OPEB liability at September 30, 2018, are as follows:

Total OPEB liability	\$ 1,688,628
OPEB Plan fiduciary net position	
City's net OPEB liability	<u>\$ 1,688,628</u>
 OPEB Plan fiduciary net position as a percentage of total OPEB liability	 0.00%

*Actuarial Assumptions* - The total OPEB liability at September 30, 2018 was based on the actuarial valuation for the period October 1, 2017 to September 30, 2018. Significant methods and assumptions used for this valuation are as follows:

Inflation Rate	2.60%
Discount Rate	4.15%
Healthcare cost trend rate	5.00%

Mortality rates were based on the RPH-2017 Total Dataset Headcount-weighted Mortality Table using Scale MP-2017.

An experience study was not done, as it was not considered necessary to support the actuarial results.

*Discount Rate* – The discount rate used to measure the total OPEB liability at September 30, 2018 was 4.15%. The discount rate used to measure the total liability at September 30, 2017 was 3.50%. Because the City's OPEB costs are funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total OPEB liability. The Fidelity 20-Year Go Municipal Bond Index rates were applied for the applicable time periods.



**CITY OF DUNEDIN, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**Changes in the Total OPEB Liability**

	Total OPEB Liability
<b>Balances at September 30, 2017</b>	\$ 1,382,030
<i>Changes for the Year:</i>	
Service cost	94,934
Interest	50,846
Changes in assumptions	(87,808)
Differences between expected and actual experience	297,485
Benefit payments	(48,859)
<b>Net Changes</b>	<u>306,598</u>
<b>Balances at September 30, 2018</b>	<u>\$ 1,688,628</u>

*Sensitivity of the total OPEB Liability to Changes in the Discount Rate* – The following table represents the total OPEB liability, calculated using the discount rate of 4.15%, as well as what the City’s total liability would be if it were calculated using a discount rate that is one percentage-point lower (3.15%) or one percentage-point higher (5.15%) than the current discount rate:

	1% Decrease 3.15%	Current Discount Rate 4.15%	1% Increase 5.15%
Total OPEB Liability	\$ 1,824,960	\$ 1,688,628	\$ 1,559,989

*Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following table represents the total OPEB liability, calculated using the healthcare cost trend rate of 5.0%, as well as what the City’s total liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower (4.0%) or one percentage-point higher (6.0%) than the current discount rate:

	1% Decrease 4.0%	Current Healthcare Cost Trend Rate 5.0%	1% Increase 6.0%
Total OPEB Liability	\$ 1,486,945	\$ 1,688,628	\$ 1,927,140

**CITY OF DUNEDIN, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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*OPEB Expense, Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB –*  
For the year ended September 30, 2018 the City recognized OPEB expense of \$173,934. At September 30, 2018, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 269,078	\$ -
Changes of assumptions	29,348	(78,052)
Total	<u>\$ 298,426</u>	<u>\$ (78,052)</u>

Deferred outflow of resources shown above will be recognized as OPEB expense in the following years:

Year ended September 30:	
2019	\$ 28,154
2020	28,154
2021	28,154
2022	28,154
2023	28,154
Thereafter*	79,604
	<u>\$ 220,374</u>

\* Note that additional future deferred inflows and outflows of resources may impact these numbers.

**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.

**CITY OF DUNEDIN, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE VI – FUND BALANCE REPORTING**

Governmental fund balances reported on the fund financial statements at September 30, 2018, include the following:

	General Fund	Stadium Fund	One Cent Sales Tax Fund	Community Redevelopment Agency	Other Governmental Funds	Total
<b>Nonspendable:</b>						
Inventory	\$ 2,402	\$ -	\$ -	\$ -	\$ -	\$ 2,402
Prepaid	6,171	-	-	-	-	6,171
Deposits	6,100	500	-	1,300	-	7,900
<b>Restricted:</b>						
Public Safety	59,842	-	-	-	-	59,842
Windlasses/DYSA	5,693	-	-	-	-	5,693
Training - Building Dept	23,976	-	-	-	-	23,976
Bequests - Library	109,986	-	-	-	-	109,986
Bequests - Other	425	-	-	-	-	425
Housing	51,379	-	-	-	-	51,379
Stadium	-	5,856,957	-	-	-	5,856,957
Building Code	-	-	-	-	1,951,258	1,951,258
County Gas Tax	-	-	-	-	890,347	890,347
One Cent Sales Tax	-	-	5,682,707	-	-	5,682,707
Community Redevelopment Agency	-	-	-	397,246	-	397,246
<b>Committed:</b>						
G. Koutsourais	8,387	-	-	-	-	8,387
Cemetery	270,844	-	-	-	-	270,844
Tree Bank	480,766	-	-	-	-	480,766
<b>Assigned:</b>						
Parking Bank	83,000	-	-	-	-	83,000
Subsequent year's Operations	874,200	-	-	-	-	874,200
Unassigned	4,158,234	-	-	-	(417,350)	3,740,884
<b>Total</b>	<b>\$ 6,141,405</b>	<b>\$ 5,857,457</b>	<b>\$ 5,682,707</b>	<b>\$ 398,546</b>	<b>\$ 2,424,255</b>	<b>\$ 20,504,370</b>

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

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.

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.

**CITY OF DUNEDIN, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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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, contributions to the G. Koutsourais fund to provide recreational activities for Dunedin’s youth (Resolution 93-58), and fees collected and held in the Tree Bank for the purchase of trees to be used on city owned property. The Tree Bank was established as part of the city’s Code of Ordinances (Section 105-43.18).

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 nor committed. Such authorization was established via Resolution 12-09.

The table below shows the breakout of encumbrances by major governmental fund and non-major governmental funds in the aggregate, and the General Fund’s subsequent year’s budget. The total of the General Fund’s encumbrances and subsequent year’s budget are included in assigned fund balance.

<u>Encumbrances</u>	
Major governmental funds:	
General Fund	\$ 87,400
Stadium Fund	4,622,205
One Cent Sales Tax Fund	30,736
Community Redevelopment	-
Total Major funds	<u>4,740,341</u>
Other Governmental Funds	<u>250,361</u>
Total Encumbrances	<u>\$ 4,990,702</u>
 <u>Subsequent Year's Budget</u>	
General Fund	<u>\$ 786,800</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 fund balance guideline 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.

**CITY OF DUNEDIN, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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**NOTE VII – FUND BALANCE DEFICITS**

The following fund had a deficit fund balance at September 30, 2018:

<u>Fund Name</u>	<u>Deficit Amounts</u>
Impact Fee Fund	\$ 417,350

The deficit in the Impact Fee Fund resulted from a due to/due from between the One Cent Sales Tax Fund and the Impact Fee Fund in the amount of \$786,374 for the acquisition of parkland. The deficit in the Impact Fee Fund will be reversed with future receipts from park impact fees.

**NOTE VIII – SUBSEQUENT EVENTS**

*City of Dunedin, Florida State Sales Tax Payments Revenue Bonds (Spring Training Facilities Improvements), Series 2018* – On September 20, 2018 the City Commission approved a resolution authorizing the issuance of State Sales Tax Payments Revenue Bonds Series 2018. The Resolution authorizes the issuance up to \$15.0 million in bonds to finance a portion of the cost of the Blue Jays Spring Facilities Improvements. The resolution also provides for paying the transaction’s financing costs. On November 30, 2018 the City issued \$12,310,000 of State Sales Tax Payments Revenue Bonds, Series 2018. The Tax- Exempt Bonds are secured by the State payments of \$83,333 per month for twenty years. Such payments will be distributable to the City pursuant to the “Spring Training Program Agreement” dated July 6, 2018, between the City and the State of Florida Department of Economic Opportunity.

City of Dunedin, Florida Taxable Non-Ad Valorem Revenue Bonds (Spring Training Facilities Improvements), Series 2018A – On September 20, 2018 the City Commission approved a resolution authorizing the issuance of Taxable Non- Ad Valorem Revenue Bonds, Series 2018A. The Resolution authorized the issuance of up to \$22.75 million in bonds to finance a portion of the cost of the Blue Jays Spring Training Facilities Improvements. The resolution also provides for paying the transaction’s financing costs. On November 30, 2018 the City issued \$20,250,000 of Taxable Non-Ad Valorem Revenue Bonds, Series 2018A. The Taxable Bonds are secured by Blue Jay’s (Club), which will pay each Annual Capital Payment in two equal semi-annual installments due on or before each March 1 and September 1 for each respective year for the next 25 years that produces a net project fund deposit of \$20,000,000 over the 25 year time period.

*The City of Dunedin, Florida Non-Ad Valorem Refunding Revenue Bonds (Fire Station Project), Series 2018B* - On September 20, 2018 the City Commission approved the resolution authorizing the issuance of Non-Ad Valorem Refunding Revenue Bonds, Series 2018B. The resolution authorized the issuance of up to \$987,000 in bonds to refund the City loan (the Non-Ad Valorem Revenue Note, Series 2013). The resolution also provides for paying the transaction costs On November 30, 2018 the City issued \$850,000 of Non-Ad Valorem Refunding Revenue Bonds, Series 2018B. The Series 2018B Bond is a current refunding of the 2013 loan. The refunding occurred on December 13, 2018.

# DUNEDIN

Home of Honeymoon Island

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF DUNEDIN, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2018**

**FLORIDA RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN  
Schedule of City's Proportionate Share of Net Pension Liability**

**Florida Retirement System (FRS) Defined Benefit Pension Plan**

<u>Fiscal Year</u>	<u>City's Proportion of the Net Pension Liability</u>	<u>City's Proportionate Share of the Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total Liability</u>
2018	0.007958517%	\$ 2,397,146	\$ 2,855,150	83.96%	84.26%
2017	0.009039450%	2,673,809	3,088,310	88.39%	83.89%
2016	0.010615074%	2,680,315	3,302,909	78.67%	84.88%
2015	0.012671046%	1,636,636	3,733,272	45.64%	92.00%

Note:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015. Information for prior years is not available.

**Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan**

<u>Fiscal Year</u>	<u>City's Proportion of the Net Pension Liability</u>	<u>City's Proportionate Share of the Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total Liability</u>
2018	0.008741557%	\$ 925,216	\$ 2,855,150	32.41%	2.15%
2017	0.009688790%	1,035,980	3,088,310	34.25%	1.64%
2016	0.010699153%	1,246,942	3,302,909	36.60%	0.97%
2015	0.012305445%	1,254,962	3,733,272	33.62%	0.50%

Note:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015. Information for prior years is not available.



**CITY OF DUNEDIN, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SEPTEMBER 30, 2018**

**FLORIDA RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN  
 Schedule of City Contributions**

**Florida Retirement System (FRS) Defined Benefit Pension Plan**

Fiscal Year	Contributions Related to the		Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actuarially Determined Contribution			
2018	\$ 226,811	\$ 226,811	\$ -	\$ 2,780,854	8.16%
2017	235,319	235,319	-	3,025,094	7.78%
2016	258,866	258,866	-	3,407,136	7.60%
2015	308,931	308,931	-	3,585,918	8.62%

Note:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015.  
 Information for prior years is not available.

**Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan**

Fiscal Year	Contributions Related to the		Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actuarially Determined Contribution			
2018	\$ 47,406	\$ 47,406	\$ -	\$ 2,780,854	1.70%
2017	51,276	51,276	-	3,025,094	1.70%
2016	54,840	54,840	-	3,407,136	1.61%
2015	47,039	47,039	-	3,585,918	1.31%

Note:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015.  
 Information for prior years is not available.

**CITY OF DUNEDIN, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2018**

**MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND**  
**Schedule of Changes in the Net Pension**  
**Liability (Asset) and Related Ratios**  
**Last Five Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Total Pension Liability (Asset)</b>					
Service cost	\$ 856,749	\$ 818,555	\$ 795,653	\$ 793,320	\$ 736,260
Interest	1,969,652	1,946,348	1,800,848	1,685,549	1,586,064
Changes in excess state money	-	-	5,213	9,746	-
Share plan allocation	11,304	2,432	15,635	29,234	-
Changes of benefit terms	-	495,699	-	-	-
Differences between Expected & Actual Experience	(89,355)	(836,436)	(214,235)	-	-
Changes of Assumptions	-	201,521	-	-	-
Contributions - buy back	1,118	73,537	32,877	64,645	-
Benefit payments, including refunds of employee contributions	<u>(1,138,395)</u>	<u>(1,052,549)</u>	<u>(1,091,385)</u>	<u>(1,083,306)</u>	<u>(1,108,108)</u>
<b>Net Change in Total Pension Liability (Asset)</b>	1,611,073	1,649,107	1,344,606	1,499,188	1,214,216
<b>Total Pension Liability (Asset) - Beginning</b>	<u>26,006,553</u>	<u>24,357,446</u>	<u>23,012,840</u>	<u>21,513,652</u>	<u>20,299,436</u>
<b>Total Pension Liability (Asset) - Ending (a)</b>	<u>\$ 27,617,626</u>	<u>\$ 26,006,553</u>	<u>\$ 24,357,446</u>	<u>\$ 23,012,840</u>	<u>\$ 21,513,652</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - city	\$ 446,583	\$ 442,686	\$ 501,383	\$ 510,314	\$ 549,848
Contributions - state	298,122	286,293	303,898	322,030	314,996
Contributions - employee	180,673	186,769	178,122	176,623	172,605
Contributions - buy back	1,118	73,537	32,877	64,645	-
Net investment income	1,888,678	1,676,263	(353,976)	1,904,122	2,667,160
Benefit payments, including refunds of employee contributions	<u>(1,138,395)</u>	<u>(1,052,549)</u>	<u>(1,091,385)</u>	<u>(1,083,306)</u>	<u>(1,108,108)</u>
Administrative expense	<u>(62,596)</u>	<u>(69,374)</u>	<u>(76,367)</u>	<u>(44,389)</u>	<u>(48,564)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	1,614,183	1,543,625	(505,448)	1,850,039	2,547,937
<b>Plan Fiduciary Net Position - Beginning</b>	<u>25,285,901</u>	<u>23,742,276</u>	<u>24,247,724</u>	<u>22,397,685</u>	<u>19,849,748</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 26,900,084</u>	<u>\$ 25,285,901</u>	<u>\$ 23,742,276</u>	<u>\$ 24,247,724</u>	<u>\$ 22,397,685</u>
<b>City's Net Pension Liability (Asset) - Ending (a) - (b)</b>	<u>\$ 717,542</u>	<u>\$ 720,652</u>	<u>\$ 615,170</u>	<u>\$ (1,234,884)</u>	<u>\$ (884,033)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</b>	97.40%	97.23%	97.47%	105.37%	104.11%
<b>Covered-Employee Payroll</b>	\$ 3,284,952	\$ 3,395,812	\$ 3,288,615	\$ 3,211,327	\$ 3,138,275
<b>City's Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll</b>	21.84%	21.22%	18.71%	-38.45%	-28.17%

Notes to Schedule of Changes in the Net Pension:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2016, using a measurement date of September 30, 2015. Information for years prior to September 30, 2013 is not available.

The Covered-Employee Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

**CITY OF DUNEDIN, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2018**

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Continued - Notes to Schedule of Changes in the Net Pension:

Changes of Benefits Terms: For measurement date 09/30/2016, Ordinance 16-22 was adopted. The change was an increase in the Supplemental benefit from \$3 to \$13 per month per year of service up to a maximum of \$325 for Members who retire on or after October 1, 2016 or enter the DROP on or after October 1, 2014.

Changes of Assumptions: For measurement date 09/30/2016, as a result of an October 3, 2016 Experience Study and as a result of recent State legislation, the Board has made the following assumption changes:

The assumed rates of mortality were changed to match those used by the FRS for special risk employees in their July 1, 2015 valuation report.

The expected withdrawal rates were reduced, as shown in the Actuarial Assumptions and Methods section of the 10/01/2016 valuation report.

The investment return assumption was reduced from 7.75% to 7.50% per year, net of investment related expenses.

The assumed rates of individual salary increase were reduced as shown in the Actuarial Assumptions and Methods section of the 10/01/2016 valuation report.

The assumed rates of retirement were reduced at each age, as shown in the Actuarial Assumptions and Methods section of the 10/01/2016 valuation report.

In addition, the inflation assumption rate was lowered from 3.0% to 2.5%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date 09/30/2015, the inflation assumption was lowered from 3.5% to 3.0%.

**CITY OF DUNEDIN, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SEPTEMBER 30, 2018**

**MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND  
 Schedule of City Contributions  
 Last Ten Fiscal Years**

Fiscal Year	Contributions Related to the		Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actuarially Determined Contribution			
2018	\$ 777,513	\$ 778,472	\$ (959)	\$ 3,295,962	23.62%
2017	733,401	733,401	-	3,284,952	22.33%
2016	725,736	725,736	-	3,395,812	21.37%
2015	784,433	784,433	-	3,288,615	23.85%
2014	793,364	793,364	-	3,211,327	24.71%
2013	832,898	832,898	-	3,138,275	26.54%
2012	825,820	825,820	-	3,110,720	26.55%
2011	816,780	816,780	-	3,287,502	24.85%
2010	719,844	719,844	-	3,395,469	21.20%
2009	704,462	704,462	-	3,331,281	21.15%

**Notes to Schedule of City Contributions:**

Valuation date: October 1, 2015\*

\*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.

Actuarial Impact Statement: May 3, 2016

Methods and assumptions used to determine the actuarially determined contribution:

Funding method: Entry Age Normal Actuarial Cost Method

Amortization method: Level percentage of pay, closed

Amortization period: 30 years

Mortality Rates: RP-2000 Generational Mortality Table-Sex Distinct; Disableds set forward 5 years.

Termination Rates:	% of Active Members	
	Years of Service	Separating within Next Year
	0 to 1	15%
	2 to 3	7%
	4 to 5	5%
	6 to 7	4%
	8 to 9	2%
	10+	0.5%

Disability Rates:	% Becoming Disabled	
	Age	During the Year
	20	0.14%
	25	0.15%
	30	0.18%
	35	0.23%
	40	0.30%
	45	0.51%
	50	1.00%

**CITY OF DUNEDIN, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SEPTEMBER 30, 2018**

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Retirement Rates:	Years After 1st Eligibility for	Probability of Normal
	Normal	Retirement
	<u>Retirement</u>	<u>Retirement</u>
	0	20%
	1-4	10%
	5+	100%

*The assumed rate of retirement is 2.0% for each year of eligibility for early retirement.*

Interest Rate: 7.50% per year, compounded annually, net of investment related expenses.  
 Salary increases: See table on ensuing page.  
 Post Retirement COLA: None.  
 Payroll Growth: 1.77% per year for amortization of the Unfunded Actuarial Accrued Liability. This is in compliance with Part VII of Chapter 12, Florida Statutes.  
 Funding Projection: The required dollar contributions for the following year include a half year of interest and a full year of salary increase based on the average salary increase for the upcoming year.  
 Actuarial Asset Method: All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return) over a five-year period.

**Salary Increase Assumptions Used**

Years of Service	% Increase in Salary	Years of Service	% Increase in Salary	Years of Service	% Increase in Salary
0	11.0%	5	6.5%	10	6.0%
1	10.0%	6	6.5%	11	5.5%
2	9.0%	7	6.5%	12	5.0%
3	8.0%	8	6.5%	13	4.5%
4	7.0%	9	6.5%	14+	4.0%

**CITY OF DUNEDIN, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SEPTEMBER 30, 2018**

**OTHER POST EMPLOYMENT BENEFITS  
 Schedule of Changes in Total Liability**

	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 94,934	\$ 81,305
Interest	50,846	38,882
Changes in assumptions	(87,808)	37,732
Differences between expected and actual experience	297,485	5,975
Benefit payments	(48,859)	(71,690)
<b>Net Change in Total OPEB liability</b>	<b>306,598</b>	<b>92,204</b>
<b>Total OPEB liability - beginning</b>	<b>1,382,030</b>	<b>1,289,826</b>
<b>Total OPEB liability - ending</b>	<b>\$ 1,688,628</b>	<b>\$ 1,382,030</b>
<b>Covered employee payroll</b>	<b>\$ 17,196,303</b>	<b>\$ 16,655,015</b>
<b>Total OPEB liability as a percentage of covered employee payroll</b>	<b>9.82%</b>	<b>8.30%</b>

**Notes to Schedule:**

*Plan Assets:*

- No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

*Other Items:*

- This information is required for ten years. However, only two years of information are available.

**COMBINING AND OTHER SUPPLEMENTARY  
INFORMATION SCHEDULES**

**City of Dunedin  
General Fund  
Schedule of Expenditure Detail - Budget and Actual  
For the Fiscal Year Ended September 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<b>GENERAL GOVERNMENT</b>				
<b>City commission</b>				
Personnel services	\$ 111,600	\$ 111,600	\$ 124,771	\$ (13,171)
Supplies and services	154,200	162,450	139,869	22,581
Aids to private organizations	140,000	145,000	137,340	7,660
City commission total	405,800	419,050	401,980	17,070
<b>City manager</b>				
Personnel services	638,600	638,600	630,390	8,210
Supplies and services	74,700	74,700	60,076	14,624
City manager total	713,300	713,300	690,466	22,834
<b>Legal</b>				
Supplies and services	221,500	221,500	355,614	(134,114)
Legal total	221,500	221,500	355,614	(134,114)
<b>City clerk</b>				
Personnel services	327,900	327,900	328,521	(621)
Supplies and services	123,300	123,300	145,998	(22,698)
City clerk total	451,200	451,200	474,519	(23,319)
<b>Finance</b>				
Personnel services	825,500	825,500	682,452	143,048
Supplies and services	185,200	185,200	300,184	(114,984)
Finance total	1,010,700	1,010,700	982,636	28,064
<b>Administration</b>				
Personnel services	473,200	464,950	428,941	36,009
Supplies and services	590,000	579,575	617,594	(38,019)
Capital outlay	21,400	41,738	29,035	12,703
Administration total	1,084,600	1,086,263	1,075,570	10,693
<b>Planning &amp; development</b>				
Personnel services	663,500	663,500	602,999	60,501
Supplies and services	434,000	486,778	433,234	53,544
Capital outlay	1,500	82,022	5,452	76,570
Aids to private organizations	151,000	151,000	36,523	114,477
Planning and development total	1,250,000	1,383,300	1,078,208	305,092
<b>Non-Departmental</b>				
Personnel services	-	17,400	-	17,400
Supplies and services	-	1,326,500	1,221,752	104,748
Capital outlay	-	6,100	-	6,100
Non-departmental total	-	1,350,000	1,221,752	128,248
<b>PUBLIC SAFETY</b>				
<b>Law enforcement</b>				
Supplies and services	4,271,400	4,271,400	4,230,883	40,517
Aids to private organizations	10,000	10,000	10,000	-
Law enforcement total	4,281,400	4,281,400	4,240,883	40,517
<b>Fire</b>				
Personnel services	4,659,200	4,653,576	4,518,690	134,886
Supplies and services	1,073,900	1,087,074	1,050,057	37,017
Capital outlay	59,500	71,520	45,247	26,273
Fire total	5,792,600	5,812,170	5,613,994	198,176



**City of Dunedin**  
**General Fund**  
**Schedule of Expenditure Detail - Budget and Actual (Continued)**  
**For the Fiscal Year Ended September 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>EMS</b>				
Personnel services	1,083,500	1,083,500	1,258,589	(175,089)
Supplies and services	227,900	228,223	200,940	27,283
EMS total	1,311,400	1,311,723	1,459,529	(147,806)
<b>TRANSPORTATION</b>				
<b>Streets / Traffic</b>				
Personnel services	584,600	584,600	547,291	37,309
Supplies and services	1,065,000	1,074,100	1,066,294	7,806
Streets / traffic total	1,649,600	1,658,700	1,613,585	45,115
<b>CULTURE AND RECREATION</b>				
<b>Library</b>				
Personnel services	1,581,100	1,581,100	1,500,994	80,106
Supplies and services	845,900	978,830	853,439	125,391
Capital outlay	-	2,500	-	2,500
Library total	2,427,000	2,562,430	2,354,433	207,997
<b>Parks and Recreation administration</b>				
Personnel services	522,800	522,800	544,184	(21,384)
Supplies and services	70,800	70,800	56,325	14,475
Parks and Recreation administration	593,600	593,600	600,509	(6,909)
<b>Recreation</b>				
Personnel services	1,800,100	1,791,600	1,737,529	54,071
Supplies and services	2,094,100	2,266,057	1,912,332	353,725
Capital outlay	66,000	111,159	103,331	7,828
Recreation total	3,960,200	4,168,816	3,753,192	415,624
<b>Parks</b>				
Personnel services	1,529,300	1,529,300	1,501,576	27,724
Supplies and services	1,167,100	1,148,264	1,145,949	2,315
Capital outlay	-	175,996	166,234	9,762
Aids to private organizations	10,000	10,000	9,823	177
Parks total	2,706,400	2,863,560	2,823,582	39,978
<b>Dunedin Historical Society</b>				
Supplies and services	24,900	24,900	24,900	-
Capital outlay	-	-	200,000	(200,000)
Dunedin Historical Society total	24,900	24,900	224,900	(200,000)
<b>Dunedin Fine Arts Center</b>				
Supplies and services	78,100	78,100	80,818	(2,718)
Dunedin Fine Arts Center total	78,100	78,100	80,818	(2,718)
<b>Total expenditures</b>	<b>\$ 27,962,300</b>	<b>\$ 29,990,712</b>	<b>\$ 29,046,170</b>	<b>\$ 944,542</b>

# DUNEDIN

Home of Honeymoon Island

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# **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.

### **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.

### **Building Code**

To account for the revenue and expenditures associated with the enforcement of the Florida Building Code. In addition, the fund was established to ensure that the existing permit fee structure covers operating expenses and that funds are being used in accordance with State law.

### **County Gas Tax**

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

**City of Dunedin, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2018**

	<b>Impact Fees</b>	<b>Building Code Fund</b>	<b>County Gas Tax</b>	<b>Special Revenue Total</b>
<b><u>ASSETS</u></b>				
Cash and cash equivalents:	\$ 466,126	\$1,978,346	\$ 788,470	\$ 3,232,942
Accounts receivable	1,804	6,662	4,751	13,217
Due from other government	-	-	124,134	124,134
Total assets	<u>\$ 467,930</u>	<u>\$1,985,008</u>	<u>\$ 917,355</u>	<u>\$ 3,370,293</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 10,355	\$ 12,691	\$ 5,000	\$ 28,046
Contracts payable	545	-	22,008	22,553
Accrued salaries payable	-	9,687	-	9,687
Due to other fund	786,374	-	-	786,374
Due to other government	88,006	11,372	-	99,378
Total liabilities	<u>885,280</u>	<u>33,750</u>	<u>27,008</u>	<u>946,038</u>
<b><u>FUND BALANCES</u></b>				
Restricted balance	-	1,951,258	890,347	2,841,605
Unassigned	<u>(417,350)</u>	<u>-</u>	<u>-</u>	<u>(417,350)</u>
Total fund balances	<u>(417,350)</u>	<u>1,951,258</u>	<u>890,347</u>	<u>2,424,255</u>
<b>Total liabilities and fund balances</b>	<u>\$ 467,930</u>	<u>\$1,985,008</u>	<u>\$ 917,355</u>	<u>\$ 3,370,293</u>

**City of Dunedin, Florida**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2018**

	<u>Impact Fees</u>	<u>Building Code Fund</u>	<u>County Gas Tax</u>	<u>Special Revenue Total</u>
<b><u>REVENUES</u></b>				
Intergovernmental revenues	\$ -	\$ -	\$ 504,983	\$ 504,983
Charges for services	-	1,810,886	-	1,810,886
Impact fees	303,196	-	-	303,196
Investment earnings (loss)	4,574	18,717	12,603	35,894
Other revenue	-	4,910	-	4,910
Total revenues	<u>307,770</u>	<u>1,834,513</u>	<u>517,586</u>	<u>2,659,869</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public safety	-	984,214	-	984,214
Transportation	-	-	545,160	545,160
Capital outlay:				
Public safety	15,908	113,432	-	129,340
Transportation	10,900	-	290,446	301,346
Debt service:				
Total expenditures	<u>26,808</u>	<u>1,097,646</u>	<u>835,606</u>	<u>1,960,060</u>
Excess of revenues				
Revenues over (under) expenditures	<u>280,962</u>	<u>736,867</u>	<u>(318,020)</u>	<u>699,809</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	66,000	-	-	66,000
Transfers out	(14,204)	-	-	(14,204)
Total other financing sources (uses)	<u>51,796</u>	<u>-</u>	<u>-</u>	<u>51,796</u>
Net change in fund balances	332,758	736,867	(318,020)	751,605
Fund balances - beginning	<u>(750,108)</u>	<u>1,214,391</u>	<u>1,208,367</u>	<u>1,672,650</u>
<b>Fund balances - ending</b>	<u><u>\$ (417,350)</u></u>	<u><u>\$1,951,258</u></u>	<u><u>\$ 890,347</u></u>	<u><u>\$ 2,424,255</u></u>

**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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Impact fees	\$ 467,300	\$ 467,300	\$ 303,196	(164,104)
Investment earnings	500	500	4,574	4,074
Total revenues	<u>467,800</u>	<u>467,800</u>	<u>307,770</u>	<u>(160,030)</u>
<b><u>EXPENDITURES</u></b>				
Capital outlay:				
Transportation	90,000	90,000	10,900	79,100
Public Safety	16,000	16,000	15,908	92
Total expenditures	<u>106,000</u>	<u>106,000</u>	<u>26,808</u>	<u>79,192</u>
Revenues over (under) expenditures	<u>361,800</u>	<u>361,800</u>	<u>280,962</u>	<u>(80,838)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	66,000	66,000	66,000	-
Transfers out	(415,200)	(415,200)	(14,204)	400,996
Total other financing sources	<u>(349,200)</u>	<u>(349,200)</u>	<u>51,796</u>	<u>400,996</u>
Net change in fund balances	<u>\$ 12,600</u>	<u>\$ 12,600</u>	332,758	<u>\$ 320,158</u>
Fund balances - beginning			<u>(750,108)</u>	
Fund balances - ending			<u>\$ (417,350)</u>	

**City of Dunedin, Florida**

**Building Code Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual  
For the Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Charges for services	\$ 1,200,000	\$ 1,200,000	\$ 1,810,886	610,886
Investment earnings	-	-	18,717	18,717
Other miscellaneous revenue	-	-	4,910	4,910
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,834,513</u>	<u>634,513</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public safety	936,400	973,184	984,214	(11,030)
Capital outlay:				
Public safety	-	303,410	113,432	189,978
Total expenditures	<u>936,400</u>	<u>1,276,594</u>	<u>1,097,646</u>	<u>178,948</u>
Net change in fund balances	<u>\$ 263,600</u>	<u>\$ (76,594)</u>	736,867	<u>\$ 813,461</u>
Fund balances - beginning			<u>1,214,391</u>	
Fund balances - ending			<u>\$ 1,951,258</u>	

**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, 2018**

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Local option gas tax	\$ 479,200	\$ 479,200	\$ 504,983	25,783
Investment earnings	2,500	2,500	12,603	10,103
Total revenues	<u>481,700</u>	<u>481,700</u>	<u>517,586</u>	<u>35,886</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Transportation	187,300	202,346	545,160	(342,814)
Capital outlay:				
Transportation	<u>310,000</u>	<u>955,032</u>	<u>290,446</u>	<u>664,586</u>
Total expenditures	<u>497,300</u>	<u>1,157,378</u>	<u>835,606</u>	<u>321,772</u>
Revenues over (under) expenditures	<u>(15,600)</u>	<u>(675,678)</u>	<u>(318,020)</u>	<u>357,658</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (15,600)</u>	<u>\$ (675,678)</u>	<u>(318,020)</u>	<u>\$ 357,658</u>
Fund balances - beginning			<u>1,208,367</u>	
Fund balances - ending			<u>\$ 890,347</u>	



## **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.

### **Information Technology**

This fund is used to account for and report costs related to technology, primarily computers and phones. This fund accrues funds for the replacement of computers, and charges for the administration and operation of the IT department are allocated to departments based on the number of computers in the department.

**City of Dunedin**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**September 30, 2018**

	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Total</u>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 4,167,805	\$ 1,338,442	\$ 4,928,319	\$ 696,979	\$ 11,131,545
Accounts receivable	-	-	3,213	-	3,213
Inventories	80,169	-	-	-	80,169
Prepaid items	-	-	67,046	-	67,046
Interest receivable	18,798	6,255	22,387	3,300	50,740
Deposits	-	-	92,354	-	92,354
Total current assets	<u>4,266,772</u>	<u>1,344,697</u>	<u>5,113,319</u>	<u>700,279</u>	<u>11,425,067</u>
Noncurrent assets:					
Capital assets:					
Buildings	1,179,463	657,735	-	-	1,837,198
Improvements other than buildings	4,744	-	-	-	4,744
Machinery and equipment	13,747,585	157,226	-	309,802	14,214,613
Construction-in-progress	-	-	-	346,764	346,764
Less: accumulated depreciation	<u>(10,226,551)</u>	<u>(330,141)</u>	<u>-</u>	<u>(88,043)</u>	<u>(10,644,735)</u>
Total capital assets, net of accumulated depreciation	<u>4,705,241</u>	<u>484,820</u>	<u>-</u>	<u>568,523</u>	<u>5,758,584</u>
Total assets	<u>8,972,013</u>	<u>1,829,517</u>	<u>5,113,319</u>	<u>1,268,802</u>	<u>17,183,651</u>
<b>DEFERRED OUTFLOWS</b>					
Pensions and OPEB	7,145	5,198	4,166	4,095	20,604
Total Deferred outflows	<u>7,145</u>	<u>5,198</u>	<u>4,166</u>	<u>4,095</u>	<u>20,604</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	185,809	67,728	119,113	6,495	379,145
Accrued salaries payable	10,010	9,453	3,791	5,756	29,010
Contracts payable	-	1,525	-	-	1,525
Accrued interest payable	4,596	-	-	-	4,596
Capital leases payable	124,852	-	-	-	124,852
Claims liabilities	-	-	256,269	-	256,269
Total current liabilities	<u>325,267</u>	<u>78,706</u>	<u>379,173</u>	<u>12,251</u>	<u>795,397</u>
Noncurrent liabilities:					
Capital leases payable	255,767	-	-	-	255,767
Compensated absences	110,139	65,940	19,074	45,174	240,327
OPEB liability	44,381	44,755	8,928	28,754	126,818
Claims liabilities	-	-	798,460	-	798,460
Total noncurrent liabilities	<u>410,287</u>	<u>110,695</u>	<u>826,462</u>	<u>73,928</u>	<u>1,421,372</u>
Total liabilities	<u>735,554</u>	<u>189,401</u>	<u>1,205,635</u>	<u>86,179</u>	<u>2,216,769</u>
<b>DEFERRED INFLOWS</b>					
Pensions and OPEB	1,834	1,225	1,218	1,022	5,299
Total Deferred Inflows	<u>1,834</u>	<u>1,225</u>	<u>1,218</u>	<u>1,022</u>	<u>5,299</u>
<b>NET POSITION</b>					
Net investment in capital assets	4,324,622	484,820	-	568,523	5,377,965
Unrestricted	3,917,148	1,159,269	3,910,632	617,173	9,604,222
Total net position	<u>\$ 8,241,770</u>	<u>\$ 1,644,089</u>	<u>\$ 3,910,632</u>	<u>\$ 1,185,696</u>	<u>\$ 14,982,187</u>

**City of Dunedin**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended September 30, 2018**

	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 2,802,234	\$ 1,543,200	\$ 5,855,051	\$ 1,067,400	\$ 11,267,885
Miscellaneous revenue	1,175	28,758	21,966	-	51,899
Total operating revenues	<u>2,803,409</u>	<u>1,571,958</u>	<u>5,877,017</u>	<u>1,067,400</u>	<u>11,319,784</u>
Operating expenses:					
Personal services	652,409	633,217	226,308	477,747	1,989,681
Supplies and services	1,067,161	788,677	5,828,554	282,729	7,967,121
Depreciation	927,899	31,623	-	44,983	1,004,505
Total operating expenses	<u>2,647,469</u>	<u>1,453,517</u>	<u>6,054,862</u>	<u>805,459</u>	<u>10,961,307</u>
Operating income / (loss)	<u>155,940</u>	<u>118,441</u>	<u>(177,845)</u>	<u>261,941</u>	<u>358,477</u>
Nonoperating revenues (expenses):					
Investment earnings (loss)	47,361	16,557	57,725	9,172	130,815
Interest/amortization expense	(6,623)	-	-	-	(6,623)
Gain (Loss) on disposal of capital assets	122,910	-	-	-	122,910
Total nonoperating revenues (expenses)	<u>163,648</u>	<u>16,557</u>	<u>57,725</u>	<u>9,172</u>	<u>247,102</u>
Income before contributions and transfers	319,588	134,998	(120,120)	271,113	605,579
Transfers in	<u>131,700</u>	<u>-</u>	<u>-</u>	<u>11,275</u>	<u>142,975</u>
Change in net position	451,288	134,998	(120,120)	282,388	748,554
Total net position - beginning	<u>7,790,482</u>	<u>1,509,091</u>	<u>4,030,752</u>	<u>903,308</u>	<u>14,233,633</u>
<b>Net position ending</b>	<u><b>\$ 8,241,770</b></u>	<u><b>\$ 1,644,089</b></u>	<u><b>\$ 3,910,632</b></u>	<u><b>\$ 1,185,696</b></u>	<u><b>\$ 14,982,187</b></u>

**City of Dunedin**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended September 30, 2018**

	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 2,802,234	\$ 1,543,200	\$ 5,918,366	\$ 1,067,400	\$ 11,331,200
Payments to suppliers	(984,472)	(767,929)	(5,896,186)	(396,946)	(8,045,533)
Payments to employees	(639,638)	(640,347)	(132,489)	(477,804)	(1,890,278)
Other operating revenue	1,175	28,758	21,966	-	51,899
Net cash provided by (used in) operating activities	<u>1,179,299</u>	<u>163,682</u>	<u>(88,343)</u>	<u>192,650</u>	<u>1,447,288</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	131,700	-	-	11,275	142,975
Net cash provided by (used in) noncapital financing activities	<u>131,700</u>	<u>-</u>	<u>-</u>	<u>11,275</u>	<u>142,975</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of capital assets	122,910	-	-	-	122,910
Purchase of capital assets	(1,586,426)	(10,402)	-	(414,307)	(2,011,135)
Principal paid on capital debt	(122,874)	-	-	-	(122,874)
Interest paid on capital debt	(8,107)	-	-	-	(8,107)
Net cash provided by (used in) capital and related financing activities	<u>(1,594,497)</u>	<u>(10,402)</u>	<u>-</u>	<u>(414,307)</u>	<u>(2,019,206)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment earnings received	39,740	13,781	48,446	7,518	109,485
Net cash provided by (used in) investing activities	<u>39,740</u>	<u>13,781</u>	<u>48,446</u>	<u>7,518</u>	<u>109,485</u>
Net increase in cash and cash equivalents	(243,758)	167,061	(39,897)	(202,864)	(319,458)
Cash and cash equivalents - October 1	4,411,563	1,171,381	4,968,216	899,843	11,451,003
Cash and cash equivalents - September 30	<u>\$ 4,167,805</u>	<u>\$ 1,338,442</u>	<u>\$ 4,928,319</u>	<u>\$ 696,979</u>	<u>\$ 11,131,545</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income / (loss)	\$ 155,940	\$ 118,441	\$ (177,845)	\$ 261,941	\$ 358,477
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	927,899	31,623	-	44,983	1,004,505
(Increase) decrease in:					
Accounts receivable	-	-	63,315	-	63,315
Inventories	14,768	-	-	-	14,768
Prepaid items	-	-	18,672	-	18,672
Deposits	-	-	(18,672)	-	(18,672)
Deferred outflows	(6,100)	(4,075)	(4,049)	(3,400)	(17,624)
Increase (decrease) in:					
Accounts payable	67,921	20,748	(67,632)	(114,217)	(93,180)
Accrued wages payable	(14)	(597)	416	(688)	(883)
Deferred Inflows	1,834	1,225	1,218	1,022	5,299
Claims liabilities	-	-	84,855	-	84,855
Compensated absences / OPEB	17,051	(3,683)	11,379	3,009	27,756
Total adjustments	<u>1,023,359</u>	<u>45,241</u>	<u>89,502</u>	<u>(69,291)</u>	<u>1,088,811</u>
Net cash provided by operating activities	<u>\$ 1,179,299</u>	<u>\$ 163,682</u>	<u>\$ (88,343)</u>	<u>\$ 192,650</u>	<u>\$ 1,447,288</u>

# 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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time	<b>123</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax	<b>137</b>
<b>Debt Capacity</b> 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	<b>143</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place	<b>151</b>
<b>Operating Information</b> 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	<b>155</b>

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

# DUNEDIN

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)

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b><u>Governmental activities:</u></b>				
Net investment in capital assets	\$ 63,664,408	\$ 62,763,046	\$ 64,339,229	\$ 64,170,000
Restricted	15,029,816	11,721,407	7,026,213	6,506,661
Unrestricted	7,168,991	8,073,971	10,836,332	9,270,449
Total governmental activities net position	<u>\$ 85,863,215</u>	<u>\$ 82,558,424</u>	<u>\$ 82,201,774</u>	<u>\$ 79,947,110</u>
<b><u>Business type activities:</u></b>				
Net investment in capital assets	\$ 31,280,649	\$ 30,862,852	\$ 27,018,599	\$ 25,618,520
Restricted	1,542,739	1,456,178	3,741,836	1,283,476
Unrestricted	27,874,765	25,161,006	23,659,881	28,031,653
Total business type activities net position	<u>\$ 60,698,153</u>	<u>\$ 57,480,036</u>	<u>\$ 54,420,316</u>	<u>\$ 54,933,649</u>
<b><u>Primary government:</u></b>				
Net investment in capital assets	\$ 94,945,057	\$ 93,625,898	\$ 91,357,828	\$ 89,788,520
Restricted	16,572,555	13,177,585	10,768,049	7,790,137
Unrestricted	35,043,756	33,234,977	34,496,213	37,302,102
Total primary government net position	<u>\$ 146,561,368</u>	<u>\$ 140,038,460</u>	<u>\$ 136,622,090</u>	<u>\$ 134,880,759</u>



	2014	2013	2012	2011	2010	2009
\$	64,104,251	\$ 58,239,411	\$ 56,781,075	\$ 57,690,458	\$ 52,017,214	\$ 49,216,594
	4,840,593	4,424,603	5,892,014	3,309,277	919,351	666,759
	7,363,412	6,502,111	6,459,724	10,834,009	14,804,273	18,340,972
<u>\$</u>	<u>76,308,256</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>
\$	33,534,035	\$ 33,405,168	\$ 33,259,017	\$ 35,573,590	\$ 33,375,182	\$ 32,324,908
	1,184,262	1,146,633	1,015,491	8,719,804	9,734,525	12,119,646
	21,764,460	22,845,536	23,293,206	10,028,817	10,567,261	6,829,020
<u>\$</u>	<u>56,482,757</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>
\$	97,638,286	\$ 91,644,579	\$ 90,040,092	\$ 93,264,048	\$ 85,392,396	\$ 81,541,502
	6,024,855	5,571,236	6,907,505	12,029,081	10,653,876	12,786,405
	29,127,872	29,347,647	29,752,930	20,862,826	25,371,534	25,169,992
<u>\$</u>	<u>132,791,013</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>

**City of Dunedin, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

(accrual basis of accounting)

	2018	2017	2016	2015	2014	2013	2012
<b>EXPENSES</b>							
<b>Governmental activities:</b>							
General government	\$ 4,722,335	\$ 3,086,600	\$ 3,163,785	\$ 3,902,176	\$ 3,941,552	\$ 3,359,312	\$ 2,428,449
Public safety	12,898,138	12,863,393	12,016,757	10,316,706	10,476,788	10,361,120	11,296,238
Physical environment	-	-	-	-	-	-	-
Transportation	2,768,959	2,301,533	2,234,895	2,112,366	2,135,489	1,999,785	1,897,883
Economic development	914,486	750,068	768,565	745,113	488,187	445,629	508,474
Culture and recreation	11,272,053	11,057,908	11,163,145	10,641,476	10,136,799	10,111,776	9,673,676
Interest on long term debt	155,629	182,007	190,979	469,673	424,781	528,625	642,358
<b>Total government activities expenses</b>	<u>32,731,600</u>	<u>30,241,509</u>	<u>29,538,126</u>	<u>28,187,510</u>	<u>27,603,596</u>	<u>26,806,247</u>	<u>26,447,077</u>
<b>Business type activities:</b>							
Solid waste	5,289,057	4,761,646	4,428,289	4,588,418	5,229,076	5,335,131	4,700,689
Water / sewer utility	17,006,572	17,045,668	16,919,664	16,326,720	15,970,790	15,508,529	16,647,088
Reclaimed water	-	-	-	-	-	-	-
Stormwater utility	4,028,592	3,558,252	3,665,865	3,360,965	3,037,098	2,725,954	2,150,715
Marina	423,653	381,384	350,845	369,324	345,892	292,000	458,798
Golf course	-	-	-	-	594	30,206	35,254
Parking	663,977	592,086	-	-	-	-	-
<b>Total business type activities expenses</b>	<u>27,411,851</u>	<u>26,339,036</u>	<u>25,364,663</u>	<u>24,645,427</u>	<u>24,583,450</u>	<u>23,891,820</u>	<u>23,992,544</u>
<b>Total primary government expenses</b>	<u>\$ 60,143,451</u>	<u>\$ 56,580,545</u>	<u>\$ 54,902,789</u>	<u>\$ 52,832,937</u>	<u>\$ 52,187,046</u>	<u>\$ 50,698,067</u>	<u>\$ 50,439,621</u>
<b>PROGRAM REVENUES</b>							
<b>Governmental activities:</b>							
Charges for services							
General government	\$ 475,513	\$ 570,903	\$ 528,147	\$ 343,285	\$ 523,230	\$ 486,155	\$ -
Public safety	5,593,433	5,477,227	4,242,095	3,635,991	3,227,174	3,394,107	3,358,410
Physical environment	-	-	-	51,600	-	-	-
Transportation	-	-	-	-	-	-	-
Economic development	56,085	42,050	46,770	-	42,216	89,624	129,946
Culture and recreation	2,085,419	2,054,132	2,090,589	2,040,989	1,943,283	2,215,859	2,190,448
Operating grants and contributions	667,625	607,504	474,084	627,511	511,380	381,213	45,361
Capital grants and contributions	1,857,026	1,459,227	1,555,222	1,336,528	6,719,504	1,606,456	1,837,921
<b>Total governmental activities program revenues</b>	<u>10,735,101</u>	<u>10,211,043</u>	<u>8,936,907</u>	<u>8,035,904</u>	<u>12,966,787</u>	<u>8,173,414</u>	<u>7,562,086</u>
<b>Business type activities:</b>							
Charges for services							
Solid waste	5,378,853	5,220,755	5,094,407	4,946,096	4,775,203	4,687,484	5,010,962
Water / sewer utility	16,847,695	16,200,581	15,303,808	15,147,998	15,253,874	15,419,636	16,826,489
Reclaimed water	-	-	-	-	-	-	-
Stormwater utility	3,710,150	3,533,250	3,375,543	3,273,122	2,956,426	2,937,216	2,693,752
Marina	555,103	532,872	490,601	515,457	556,073	469,253	471,043
Golf course	-	-	-	-	-	7,452	(903)
Parking	169,891	804,959	-	-	-	-	-
Operating grants and contributions	7,429	-	-	-	-	-	-
Capital grants and contributions	3,567,449	300,607	262,397	334,300	1,375,017	137,414	2,114,029
<b>Total business type activities revenues</b>	<u>30,236,570</u>	<u>26,593,024</u>	<u>24,526,756</u>	<u>24,216,973</u>	<u>24,916,593</u>	<u>23,658,455</u>	<u>27,115,372</u>
<b>Total primary government program revenues</b>	<u>\$ 40,971,671</u>	<u>\$ 36,804,067</u>	<u>\$ 33,463,663</u>	<u>\$ 32,252,877</u>	<u>\$ 37,883,380</u>	<u>\$ 31,831,869</u>	<u>\$ 34,677,458</u>
<b>NET EXPENSE</b>							
Governmental activities	\$ (21,996,499)	\$ (20,030,466)	\$ (20,601,219)	\$ (20,151,606)	\$ (14,636,809)	\$ (18,632,833)	\$ (18,884,991)
Business type activities	2,824,719	253,988	(837,907)	(428,454)	333,143	(233,365)	3,122,828
<b>Total primary government net (expense) / revenue</b>	<u>\$ (19,171,780)</u>	<u>\$ (19,776,478)</u>	<u>\$ (21,439,126)</u>	<u>\$ (20,580,060)</u>	<u>\$ (14,303,666)</u>	<u>\$ (18,866,198)</u>	<u>\$ (15,762,163)</u>
<b>General Revenues</b>							
<b>Governmental activities:</b>							
Taxes:							
Property taxes	\$ 9,801,125	\$ 8,920,112	\$ 8,250,501	\$ 7,040,424	\$ 6,569,073	\$ 5,767,080	\$ 6,096,273
Utility service taxes	4,360,098	4,250,024	4,282,054	4,282,586	4,446,105	4,223,089	4,208,418
Infrastructure sales surtax	3,936,776	3,715,371	3,614,528	3,436,710	3,192,877	3,013,051	2,810,128
Half cent sales tax	2,351,985	2,256,442	2,237,167	2,165,558	2,045,485	1,947,273	1,864,750
Franchise fees	2,592,367	2,406,038	2,448,302	2,634,802	2,624,822	2,371,745	2,541,409
Other taxes	336,747	333,972	338,061	321,603	351,802	171,956	81,917
State revenue sharing	1,328,774	1,300,819	1,242,420	1,221,632	1,157,604	1,109,982	1,158,749
Grants and contributions not restricted to specific programs	-	-	-	2,932,567	-	-	-
Unrestricted investment earnings	387,808	227,835	73,505	98,536	21,778	48,438	76,561
Gain / (loss) on sale of capital assets	122,910	98,681	369,345	-	-	11,732	(37,708)
Transfers	82,700	(2,649,858)	-	(39,329)	1,369,394	1,800	(40,416)
<b>Total government activities revenues</b>	<u>25,301,290</u>	<u>20,859,436</u>	<u>22,855,883</u>	<u>24,095,089</u>	<u>21,778,940</u>	<u>18,666,146</u>	<u>18,760,081</u>
<b>Business type activities:</b>							
Unrestricted investment earnings	476,098	417,154	324,574	327,714	121,671	55,609	77,763
Gain (loss) on sale of capital assets	-	-	-	-	-	9,179	4,495
Transfers	(82,700)	2,649,858	-	39,329	(1,369,394)	(1,800)	40,416
<b>Total business type activities</b>	<u>393,398</u>	<u>3,067,012</u>	<u>324,574</u>	<u>367,043</u>	<u>(1,247,723)</u>	<u>62,988</u>	<u>122,674</u>
<b>Total primary government revenues</b>	<u>\$ 25,694,688</u>	<u>\$ 23,926,448</u>	<u>\$ 23,180,457</u>	<u>\$ 24,462,132</u>	<u>\$ 20,531,217</u>	<u>\$ 18,729,134</u>	<u>\$ 18,882,755</u>
<b>CHANGE IN NET POSITION</b>							
Governmental activities	\$ 3,304,791	\$ 828,970	\$ 2,254,664	\$ 3,943,483	\$ 7,142,131	\$ 33,313	\$ (124,911)
Business type activities	3,218,117	3,321,000	(513,333)	(61,411)	(914,580)	(170,377)	3,245,503
<b>Total primary government</b>	<u>\$ 6,522,908</u>	<u>\$ 4,149,970</u>	<u>\$ 1,741,331</u>	<u>\$ 3,882,072</u>	<u>\$ 6,227,551</u>	<u>\$ (137,064)</u>	<u>\$ 3,120,592</u>

2011	2010	2009
\$ 2,169,100	\$ 2,499,304	\$ 3,681,315
11,514,839	11,691,457	12,653,234
314,305	-	-
2,248,772	2,226,040	1,839,363
384,451	467,325	507,328
9,599,618	9,772,233	9,931,370
920,611	772,810	834,618
<u>27,151,696</u>	<u>27,429,169</u>	<u>29,447,228</u>
4,957,784	4,577,524	4,571,427
17,122,361	16,661,525	18,511,182
-	-	-
1,892,990	1,792,841	1,615,538
491,495	484,848	478,476
71,010	378,065	603,161
-	-	-
<u>24,535,640</u>	<u>23,894,803</u>	<u>25,779,784</u>
<u>\$ 51,687,336</u>	<u>\$ 51,323,972</u>	<u>\$ 55,227,012</u>
\$ -	\$ -	\$ -
3,008,565	2,899,019	2,518,229
-	-	-
-	-	-
110,152	126,548	95,097
2,138,344	2,543,144	2,739,619
137,880	228,748	415,025
1,656,723	1,941,343	10,311,831
<u>7,051,664</u>	<u>7,738,802</u>	<u>16,079,801</u>
4,975,022	5,551,050	5,269,810
15,895,494	15,618,206	15,344,070
-	-	-
2,270,391	1,887,145	1,682,977
473,373	433,559	443,924
25	214,859	473,021
-	-	-
7,113	-	-
822,883	628,771	973,045
<u>24,444,301</u>	<u>24,333,590</u>	<u>24,186,847</u>
<u>\$ 31,495,965</u>	<u>\$ 32,072,392</u>	<u>\$ 40,266,648</u>
\$ (20,100,032)	\$ (19,690,367)	\$ (13,367,427)
(91,339)	438,787	(1,592,937)
<u>\$ (20,191,371)</u>	<u>\$ (19,251,580)</u>	<u>\$ (14,960,364)</u>
\$ 6,540,293	\$ 7,277,630	\$ 8,364,594
4,534,665	4,807,075	4,713,985
2,674,927	2,720,927	4,727,908
1,846,028	1,793,787	1,808,035
2,707,724	2,935,741	2,811,613
83,596	76,239	73,668
1,170,693	1,243,130	1,134,958
-	1,639	-
95,313	146,429	(85,633)
30,918	24,693	149,744
(658,074)	(1,820,411)	(104,160)
<u>19,026,083</u>	<u>19,206,879</u>	<u>23,594,712</u>
78,508	143,825	(43,434)
-	371	1,855
658,074	1,820,411	104,160
<u>736,582</u>	<u>1,964,607</u>	<u>62,581</u>
<u>\$ 19,762,665</u>	<u>\$ 21,171,486</u>	<u>\$ 23,657,293</u>
\$ (1,073,949)	\$ (483,488)	\$ 10,227,285
645,243	2,403,394	(1,530,356)
<u>\$ (428,706)</u>	<u>\$ 1,919,906</u>	<u>\$ 8,696,929</u>

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

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<u>Fiscal Year</u>	<u>Property</u>	<u>Franchise</u>	<u>Utility Service</u>	<u>Total</u>
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
2015	7,040,424	2,634,802	4,282,586	13,957,812
2016	8,250,501	2,448,302	4,282,054	14,980,857
2017	8,920,112	2,406,038	4,250,024	15,576,174
2018	9,801,125	2,592,367	4,360,098	16,753,590

# DUNEDIN

Home of Honeymoon Island

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**City of Dunedin, Florida**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**

(modified accrual basis of accounting)

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>General fund:</b>				
Nonspendable	\$ 14,673	\$ 210,175	\$ 212,299	\$ 13,339
Restricted	251,301	268,627	280,928	350,064
Committed	759,997	676,837	354,800	277,219
Assigned	957,200	510,219	3,143,941	765,970
Unassigned	4,158,234	4,663,984	4,252,961	6,414,126
<b>Total general fund</b>	<b>\$ 6,141,405</b>	<b>\$ 6,329,842</b>	<b>\$ 8,244,929</b>	<b>\$ 7,820,718</b>
<b>All other governmental funds:</b>				
Nonspendable	\$ 1,800	\$ 1,800	\$ 3,831	\$ -
Restricted	14,778,515	11,452,780	6,745,285	6,156,597
Committed	-	-	-	284,151
Assigned	-	-	-	-
Unassigned	(417,350)	(750,108)	-	-
<b>Total all other governmental funds</b>	<b>\$ 14,362,965</b>	<b>\$ 10,704,472</b>	<b>\$ 6,749,116</b>	<b>\$ 6,440,748</b>

	<b>2009</b>
<b>General fund:</b>	
Reserved	\$ 1,071,515
Unreserved	7,658,106
<b>Total general fund</b>	<b>\$ 8,729,621</b>
<b>All other governmental funds:</b>	
Reserved, reported in:	
Special revenue funds	\$ 525,082
Capital projects funds	562,702
Unreserved, reported in:	
Special revenue funds	2,546,222
Capital projects funds	707,512
<b>Total all other governmental funds</b>	<b>\$ 4,341,518</b>

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

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 216,896	\$ 11,052	\$ 22,670	\$ 15,275	\$ 255,599
352,473	585,458	567,305	627,388	612,627
228,418	-	-	-	-
65,447	115,416	242,303	2,020,923	562,133
3,217,422	3,097,698	3,944,684	4,984,151	7,302,058
<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>
\$ 4,899	\$ -	\$ -	\$ 742	\$ 59,076
4,483,221	3,839,145	3,379,423	2,681,888	3,782,026
328,405	237,177	483,645	603,830	397,793
-	-	-	-	-
-	23,155	-	-	99,827
<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>

1

**City of Dunedin, Florida**  
**Change in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**

(modified accrual basis of accounting)

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>				
Taxes	\$ 16,753,590	\$ 15,576,174	\$ 14,980,857	\$ 13,957,812
Licenses, fees and permits	303,130	574,584	1,732,716	1,304,991
Intergovernmental	9,883,895	9,240,743	9,072,239	8,713,327
Charges for services	8,189,818	8,014,070	5,966,581	5,778,492
Fines and forfeits	1,374,964	870,548	483,228	384,288
Interest earnings	256,993	144,174	43,770	71,817
Miscellaneous	1,063,120	949,574	946,982	3,773,065
<b>Total revenues</b>	<b>37,825,510</b>	<b>35,369,867</b>	<b>33,226,373</b>	<b>33,983,792</b>
<b>EXPENDITURES</b>				
General government	6,072,395	4,308,759	4,419,611	4,525,270
Public safety	12,243,373	11,765,529	11,399,327	10,230,404
Transportation	2,158,745	1,749,797	1,724,305	1,643,219
Economic development	470,142	331,851	390,839	370,393
Culture and recreation	9,665,303	9,299,140	9,157,382	8,817,280
Capital outlay	2,250,394	1,269,870	3,537,097	1,211,986
Aids and grants	248,758	211,627	176,632	214,292
Debt service:				
Principal	1,035,992	1,013,050	1,216,501	1,496,651
Interest	153,066	180,344	189,422	292,372
<b>Total expenditures</b>	<b>34,298,168</b>	<b>30,129,967</b>	<b>32,211,116</b>	<b>28,801,867</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,527,342</b>	<b>5,239,900</b>	<b>1,015,257</b>	<b>5,181,925</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	2,989	27,050	1,473	8,252
Debt proceeds	-	-	-	(119,211)
Transfers in	5,871,604	1,531,785	337,985	1,011,810
Transfers out	(5,931,879)	(4,758,466)	(622,136)	(718,490)
<b>Total other financing sources (uses)</b>	<b>(57,286)</b>	<b>(3,199,631)</b>	<b>(282,678)</b>	<b>182,361</b>
<b>Net change in fund balances</b>	<b>\$ 3,470,056</b>	<b>\$ 2,040,269</b>	<b>\$ 732,579</b>	<b>\$ 5,364,286</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>3.7%</b>	<b>4.1%</b>	<b>4.9%</b>	<b>6.5%</b>



2014	2013	2012	2011	2010	2009
\$ 13,640,000	\$ 12,361,914	\$ 12,846,100	\$ 13,782,682	\$ 15,020,446	\$ 15,890,192
941,721	863,480	971,988	754,756	732,845	445,622
8,607,752	7,980,907	7,519,245	7,429,830	8,251,620	18,955,257
5,537,719	5,593,634	5,621,731	5,393,724	5,369,511	5,679,455
378,643	497,113	178,739	220,901	119,427	184,190
14,659	22,547	47,478	77,993	122,088	(64,719)
700,638	988,659	592,798	702,380	735,251	556,292
29,821,132	28,308,254	27,778,079	28,362,266	30,351,188	41,646,289
4,366,316	3,939,915	2,975,639	3,026,559	3,273,169	3,543,512
10,175,544	9,927,788	11,182,563	11,252,343	11,781,242	11,876,309
1,694,823	1,616,462	1,543,624	1,656,767	1,785,106	1,869,700
448,045	398,917	445,600	409,780	466,280	394,828
8,304,517	8,013,764	7,728,248	7,329,256	7,934,753	8,126,402
2,718,624	2,779,744	2,476,284	3,624,709	4,198,061	11,924,208
287,472	286,677	186,329	211,860	166,233	515,203
1,394,636	1,410,650	1,424,928	1,584,307	1,297,789	2,356,923
343,697	540,297	610,170	680,752	741,855	835,723
29,733,674	28,914,214	28,573,386	29,776,333	31,644,488	41,442,808
87,458	(605,960)	(795,307)	(1,414,067)	(1,293,300)	203,481
25,817	8,683	-	-	-	1,181,800
-	104,138	-	-	-	-
2,697,443	1,370,702	3,258,292	1,696,012	2,405,836	3,870,555
(1,822,638)	(1,608,492)	(4,757,152)	(2,418,887)	(3,259,235)	(3,962,516)
900,622	(124,969)	(1,498,860)	(722,875)	(853,399)	1,089,839
<u>\$ 988,080</u>	<u>\$ (730,929)</u>	<u>\$ (2,294,167)</u>	<u>\$ (2,136,942)</u>	<u>\$ (2,146,699)</u>	<u>\$ 1,293,320</u>
<u>6.4%</u>	<u>7.5%</u>	<u>7.8%</u>	<u>8.7%</u>	<u>7.4%</u>	<u>10.8%</u>

## City of Dunedin, Florida

### General Governmental Expenditures and Transfers by Function <sup>1</sup>

#### Last Ten Fiscal Years <sup>2</sup>

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<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Transportation</u>	<u>Economic Development</u>	<u>Culture and Recreation</u>	<u>Capital Outlay</u>
2009	\$ 3,543,512	\$ 11,876,309	\$ 1,869,700	\$ 394,828	\$ 8,126,402	\$ 11,924,208
2010	3,273,169	11,781,242	1,785,106	466,280	7,934,753	4,198,061
2011	3,026,559	11,252,343	1,656,767	409,780	7,329,256	3,624,709
2012	2,975,639	11,182,563	1,543,624	445,600	7,728,248	2,476,284
2013	3,939,915	9,927,788	1,616,462	398,917	8,013,764	2,779,744
2014	4,366,316	10,175,544	1,694,823	448,045	8,304,517	2,718,624
2015	4,525,270	10,230,404	1,643,219	370,393	8,817,281	1,211,986
2016	4,419,611	11,399,327	1,724,305	390,839	9,157,382	3,537,097
2017	4,308,759	11,765,529	1,749,797	331,851	9,299,140	1,269,870
2018	6,072,395	12,243,373	2,158,745	470,142	9,665,303	2,250,394

(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.

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<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Transfers Out</b>	<b>Other</b>	<b>Total</b>
\$ 11,924,208	\$ 3,192,646	\$ 3,962,516	\$ 515,203	\$ 45,405,324
4,198,061	2,039,644	3,259,235	166,233	34,903,723
3,624,709	2,265,059	2,418,887	211,860	32,195,220
2,476,284	2,035,098	4,757,152	186,329	33,330,538
2,779,744	1,950,947	1,608,492	286,677	30,522,706
2,718,624	1,738,333	1,822,638	287,472	31,556,312
1,211,986	1,789,023	718,490	214,292	29,520,358
3,537,097	1,405,923	622,136	176,632	32,833,252
1,269,870	1,193,394	4,758,466	211,627	34,888,433
2,250,394	1,189,058	5,931,879	248,758	40,230,047

# DUNEDIN

Home of Honeymoon Island

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## **REVENUE CAPACITY**

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

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FY Ended Sept 30,	Real Property				Personal Property
	Residential Property	Commercial Property	Industrial Property	Other Property <sup>1</sup>	
2009	\$ 1,813,363,664	\$ 351,142,490	\$28,083,500	\$37,006,566	\$ 89,119,848
2010	1,570,371,303	280,821,157	26,056,165	59,651,262	86,727,617
2011	1,424,191,373	249,278,430	22,754,140	49,882,330	81,301,215
2012	1,395,841,673	238,010,568	21,718,717	39,462,381	76,782,855
2013	1,344,271,312	231,166,397	21,212,491	44,261,605	78,233,683
2014	1,384,844,153	236,587,023	21,953,609	33,279,232	82,734,943
2015	1,483,004,224	247,113,147	23,427,290	37,317,833	85,583,545
2016	1,590,057,102	260,788,703	24,727,399	33,767,027	82,542,474
2017	1,723,298,384	284,633,686	24,568,659	29,151,938	85,718,582
2018	1,899,389,751	300,424,374	25,893,267	29,113,218	90,001,921
Change 2017 - 2018	10.22%	5.55%	5.39%	-0.13%	5.00%

(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

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<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate <sup>2</sup></b>	<b>Estimated Actual Market Value <sup>3</sup></b>	<b>Taxable Assessed Value as a % of Actual Value</b>
\$ 2,318,716,068	3.5597	\$ 3,921,795,310	59.1%
2,023,627,504	3.5597	3,278,182,101	61.7%
1,827,407,488	3.5597	2,884,900,277	63.3%
1,771,816,194	3.3817	2,742,388,004	64.6%
1,719,145,488	3.3817	2,609,865,581	65.9%
1,759,398,960	3.7345	2,675,288,098	65.8%
1,876,446,039	3.7345	2,954,536,952	63.5%
1,991,882,705	4.1345	3,239,899,785	61.5%
2,147,371,249	4.1345	3,528,185,824	60.9%
2,344,822,531	4.1345	3,936,702,579	59.6%
9.20%	0.00%	11.58%	

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

Fiscal Year	City Direct Rate <sup>1</sup>	Overlapping Rates					TOTAL
		County Wide <sup>2</sup>	School	Transit District <sup>3</sup>	EMS <sup>3</sup>	Other Districts <sup>4</sup>	
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
2015	3.7345	5.3377	7.8410	0.7305	0.9158	1.2799	19.8394
2016	4.1345	5.3377	7.7700	0.7305	0.9158	1.2629	20.1514
2017	4.1345	5.3377	7.3180	0.7500	0.9158	1.2448	19.7008
2018	4.1345	5.3590	7.0090	0.7500	0.9158	1.2262	19.3945

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

(2) County Wide includes:

General Fund	5.2755
Health Department	0.0835
	<u>5.3590</u>

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

(4) Other Districts includes:

Pinellas County Planning Council	0.0150
Juvenile Welfare Board	0.8981
Southwest Florida Water Mgmt.	0.3131
	<u>1.2262</u>

Source: Pinellas County Property Appraiser



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

Taxpayer	September 30, 2018			September 30, 2009		
	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. PTN, LTD	\$ 54,022,592	1	2.30%	\$ 31,500,000	1	1.76%
Chesapeake Apt.	21,198,676	2	0.90%	14,560,000	3	0.81%
1763 Main Street, LLC	13,656,034	3	0.58%			
M H C Lake Haven, LLC	12,840,000	4	0.55%	10,650,000	4	0.59%
Scottish Towers II Apt. LTD Partnership	10,300,000	5	0.44%			
P B H Logarto, LLC	10,164,000	6	0.43%			
Publix Super Markets, INC	9,235,000	7	0.39%	8,625,000	5	0.48%
P X Granada Plaza, LP	9,060,000	8	0.39%			
Doheny-Vidovich Partners	8,241,165	9	0.35%			
Coca-Cola Co., INC	8,194,000	10	0.35%			
Pinellas Marina, LLC				30,842,568	2	1.72%
Coastal Palms SDM, LLC				8,500,000	6	0.47%
Odyssey DP				8,300,000	7	0.46%
Wells Fargo Bank, NA				7,950,764	8	0.44%
Allen, William				7,835,513	9	0.44%
SES Group - Windmere				7,663,267	10	0.43%
SUB-TOTAL:	156,911,467		6.68%	136,427,112		7.60%
ALL OTHERS:	2,187,911,064		93.32%	1,654,728,740		92.40%
TOTAL:	<u>\$ 2,344,822,531</u>		<u>100.00%</u>	<u>\$ 1,791,155,852</u>		<u>100.00%</u>

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			Total Collections to Date	
				Amount <sup>1</sup>	Percent of Levy	Delinquent Collections <sup>2</sup>	Amount	Percentage of Levy
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%
2015	1,876,446,039	3.7345	7,007,587	6,435,377	91.8%	155,057	6,590,434	94.1%
2016	1,991,882,705	4.1345	8,235,439	7,577,173	92.0%	167,274	7,744,447	94.0%
2017	2,147,371,249	4.1345	8,878,306	8,141,071	91.7%	209,599	8,350,670	94.1%
2018	2,344,822,531	4.1345	9,694,669	8,829,887	91.1%	199,469	9,029,356	93.1%

\* 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

## **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 <sup>1</sup>	Per Capita <sup>1</sup>
	Revenue Bonds	Capital Leases	Water / Sewer & Bonds	Capital Leases			
2009	\$ 17,373,495	\$ 1,953,199	\$ 24,693,131	\$ -	\$ 44,019,825	4.57%	\$ 1,275
2010	16,075,706	1,663,588	23,845,710	-	41,585,004	4.68%	1,223
2011	14,491,400	2,174,240	20,842,993	-	37,508,633	4.18%	1,177
2012	13,066,481	1,085,706	24,944,023 *	-	37,928,187	3.80%	1,053
2013	11,759,958	717,261	24,946,102 *	-	36,253,220	3.93%	1,076
2014	11,645,322	415,177	23,976,774 *	-	36,037,273	3.76%	1,029
2015	10,273,672	104,349	28,938,612 *	-	39,316,633	3.87%	1,110
2016	9,057,170	624,420	27,526,883	694,142	37,902,615	3.41%	1,044
2017	8,044,120	503,493	26,047,154	559,712	35,154,479	2.94%	949
2018	7,008,128	380,619	24,530,425	423,119	32,342,291	2.67%	881

(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

\* Updated figures to show bond net of related unamortized premiums, discounts, and adjustments.

**City of Dunedin, Florida**  
**Direct and Overlapping Governmental Activities Debt**  
**September 30, 2018**

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<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE<sup>1</sup></u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Overlapping debt:			
Pinellas County	\$ 10,077,595		
Pinellas County School Board	\$ 6,808,627		
Total overlapping debt	\$ 16,886,222	3.190%	\$ 538,670
City of Dunedin direct debt			<u>\$ 7,388,747</u>
Total direct and overlapping debt			<u><u>\$ 7,927,417</u></u>

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

City Taxable Value: \$ 2,344,822,531  
County Taxable Value: \$ 73,503,171,055

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**

<b>Fiscal Year</b>	<b>Gross Revenues <sup>1</sup></b>	<b>Operating Expenses <sup>2</sup></b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements <sup>3</sup></b>	<b>Coverage Ratio</b>
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 <sup>4</sup>	8.97
2014	15,244,674	11,248,564	3,996,110	1,891,887	2.11
2015	15,370,160	12,023,320	3,346,840	1,462,502	2.29
2016	15,528,153	12,836,457	2,691,696	1,463,195	1.84
2017	16,481,791	12,978,691	3,503,100	1,463,056	2.39
2018	17,124,551	12,760,865	4,363,686	1,457,235	2.99

(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**

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<b>Fiscal Year</b>	<b>Gross Revenues <sup>1</sup></b>	<b>Operating Expenses <sup>2</sup></b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements <sup>3</sup></b>	<b>Coverage Ratio</b>
2013	\$ 2,938,635	\$ 1,464,095	\$ 1,474,540	\$ 186,189 <sup>4</sup>	7.92
2014	2,964,128	1,443,056	1,521,072	446,308	3.41
2015	3,306,550	1,743,304	1,563,246	578,891	2.70
2016	3,408,426	1,937,639	1,470,787	830,071	1.77
2017	3,595,509	1,925,125	1,670,384	858,555	1.95
2018	3,773,863	2,091,993	1,681,870	862,838	1.95

(1) Total revenues (including investment income), exclusive of impact fees 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.

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

Description	Actual September 30 2018	Adopted Budget September 30 2018	Adopted Budget September 30 2019
Total Governmental Revenues	\$ 37,825,510	\$ 118,085,100	\$ 102,692,100
Internal Service Revenues:			
Rental Income	28,711	27,000	27,000
Non-Operating:			
Investment earnings	130,815	18,100	23,500
Total Internal Services Revenues	159,526	45,100	50,500
Total Annual Revenues - September 30	<u>\$ 37,985,036</u>	<u>\$ 118,130,200</u>	<u>\$ 102,742,600</u>
Total Annual General Government Debt Service exclusive of Enterprise Funds, Internal Service Funds and Special Assessment Debt Service	<u>\$ 1,189,058</u>	<u>\$ 1,189,600</u>	<u>\$ 3,695,700</u>
Debt Service Ratio	<u>3.13%</u>	<u>1.01%</u>	<u>3.60%</u>
Total Capacity Debt Service (12.5%)	\$ 4,748,130	\$ 14,766,275	\$ 12,842,825
Less: Current Debt Service	1,189,058	1,189,600	3,695,700
Excess Debt Service Available	<u>\$ 3,559,072</u>	<u>\$ 13,576,675</u>	<u>\$ 9,147,125</u>
Excess Outstanding Debt Service Available			
10 Years	\$ 31,850,213	\$ 121,497,976	\$ 81,857,832
20 Years	57,795,751	220,471,585	148,540,136



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

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Debt Description	September 30 2017	September 30 2018	Adopted Budget September 30 2019
<b>Community Center</b>			
\$6.5M - Sales Tax Refunding Revenue Bond, Series 2015	\$ 663,876	\$ 667,949	\$ 671,900
<b>Spring Training Facilities</b>			
\$5.2M Series 2012 Revenue Note	415,149	415,148	2,912,500
<b>Fire Station 61</b>			
\$1.28M Series 2013 Non Ad Valorem Note	104,560	105,961	111,300
<b>Total Annual General Government Debt Service</b>	<b>\$ 1,183,585</b>	<b>\$ 1,189,058</b>	<b>\$ 3,695,700</b>

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## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

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<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Personal Income <sup>2</sup></b>	<b>Per Capita Income <sup>3</sup></b>	<b>Median Age <sup>4</sup></b>	<b>Unemployment Rate <sup>5</sup></b>
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%
2015	35,410	1,015,665,030	28,683	54.0	5.0%
2016	36,311	1,112,823,217	30,647	54.2	4.7%
2017	37,063	1,195,392,939	32,253	55.0	3.2%
2018	36,695	1,209,283,725	32,955	55.4	2.9%

Data Source:

(1) FY 2005-2010, 2014: City-data.com; FY 2011: 2010 US Census; FY 2012-2013, FY 2015-2018: Pinellas County Economic Development

(2) Calculated using the above displayed Population and Per Capita Income figures

(3) FY 2005-2010: City-data.com; FY 2011, 2014: US Census Results  
FY 2012, 2015-2018: Pinellas Co. Economic Development

(4) FY 2005-2010: Muninetguide.com; FY 2011, 2014: US Census  
FY 2012-2013, 2015-2018: Pinellas Co. Economic Development

(5) Bureau of Labor Statistics; Not Seasonally Adjusted; FY 2017 unemployment rate shown as of September 30, 2018

**City of Dunedin, Florida**  
**Principal Employers <sup>1</sup>**  
**Current Year and Ten Years Ago**

<u>Employer</u>	<u>September 30, 2018</u>			<u>September 30, 2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment <sup>2</sup></u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment <sup>2</sup></u>
Pinellas School System	565	1	3.15%	600	3	3.98%
Mease Dunedin Hospital	405	2	2.26%	642	2	4.26%
City of Dunedin	349	3	1.94%	369	4	2.45%
Publix Supermarkets	260	4	1.45%			
Minute Maid Company	220	5	1.23%			
Fenway Hotel	200	6	1.11%			
Coca-Cola Bottling Company	200	7	1.11%	168	6	1.12%
Bay Care Home Care	150	8	0.84%			
Bon Appetit Restaurant & Bar	120	9	0.67%			
Manorcare Health SVC - Dunedin	120	10	0.67%			
Nielsen Media Research			0.00%	674	1	4.47%
Mease Manor			0.00%	290	5	1.93%
<b>TOTAL</b>	<u><u>2,589</u></u>		<u><u>14.42%</u></u>	<u><u>2,743</u></u>		<u><u>18.21%</u></u>

(1) Source: Pinellas County Economic Development

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

Total employment for 2018 17,958 at September 30, 2018

Total employment for 2009 15,064 at September 30, 2009

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## **OPERATING INFORMATION**

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

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<b>Function</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
General Government	54.570	51.990	60.690	57.660	60.470	55.880
Public Safety						
Fire*	46.000	45.250	45.250	45.250	45.250	45.250
EMS*	10.000	9.750	9.750	9.750	9.750	9.750
Building services**	8.700	8.700	-	-	-	-
Culture and recreation	86.400	86.400	84.520	82.770	79.500	77.750
Highways and streets						
Engineering	14.080	14.000	14.000	14.500	14.500	14.750
Maintenance	8.660	8.660	8.660	8.660	8.660	8.660
Facilities	10.680	10.680	10.680	9.680	9.680	9.680
Fleet Services	9.000	9.000	8.500	8.500	8.500	8.500
Solid Waste	21.000	21.000	21.000	21.000	24.000	24.000
Water	31.080	30.330	30.330	30.330	30.330	31.000
Wastewater	35.330	35.330	35.330	35.330	35.330	36.000
Stormwater	13.660	13.660	13.660	13.660	13.660	12.660
<b>TOTAL</b>	<b><u>349.160</u></b>	<b><u>344.750</u></b>	<b><u>342.370</u></b>	<b><u>337.090</u></b>	<b><u>339.630</u></b>	<b><u>333.880</u></b>

\*In FY17 corrected prior year Fire and EMS FTE splits. FTE's previously reported as: Fire 22 and EMS 33.



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<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
52.730	55.500	52.225	55.351
45.250	45.250	45.250	45.250
9.750	9.750	9.750	9.750
-	-	-	-
76.000	75.500	82.000	89.000
15.000	15.500	15.000	16.000
9.670	9.660	9.000	11.000
9.680	9.660	12.000	12.000
8.500	8.500	8.500	8.500
26.000	28.000	28.000	28.000
32.000	32.000	29.000	30.000
36.000	38.000	47.000	47.000
11.670	10.660	10.000	10.000
<u>332.250</u>	<u>337.980</u>	<u>347.725</u>	<u>361.851</u>

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

<b>Function</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Fire</b>				
Number of fire emergencies with dollar loss**	54	72	86	86
EMS responses	5,613	5,918	5,780	6,930
Other calls	2,257	2,664	2,229	1,000
Inspections	979	915	807	1,011
Investigations	22	27	14	25
<b>Highways and streets</b>				
Streets paved (miles)	135	130	130	130
Streets unimproved (miles)	4	6	3	3
Street lights	3,427	3,885	3,885	3,885
<b>Culture and recreation ***</b>				
Recreation facilities - parks (acres)	248	248	248	240
Recreation facilities - specialty facilities (acres)	206	206	206	206
Recreation facilities - beaches (acres)	37	37	37	37
Library materials	127,049	130,758	139,290	138,568
Library annual circulation	443,295	451,050	561,431	543,419
Library registered borrowers	31,255	29,354	27,337	29,653
<b>Solid waste</b>				
Customers serviced	14,775	14,700	14,715	14,607
Refuse / recycling collected (tons)	36,538	37,800	36,902	35,594
<b>Water</b>				
Total connections - regular	11,800	11,713	11,618	11,437
Total connections - reclaimed	3,763	3,714	3,659	3,628
Average daily consumption (Gallons) - regular	3,741,000	3,708,000	3,753,000	3,645,000
Average daily consumption (Gallons) - reclaimed	3,001,000	3,070,000	2,852,000	2,500,000
Operating wells	29	29	29	27
<b>Sewer (wastewater)</b>				
Miles of sanitary sewers	128	128	128	128
Average daily sewage treatment (Gallons)	4,316,000	4,071,000	4,598,000	4,707,000

\* 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.

2014	2013	2012	2011	2010	2009
69	91	115	108	110	111
5,423	5,173	5,138	5,012	4,973	4,895
1,639	1,739	1,372	1,462	1,988	1,816
1,097	1,279	1,396	1,509	1,596	1,484
26	20	97	88	108	77
130	130	130	130	130	130
3	3	3	3	3	3
3,918	3,568	3,568	3,568	3,568	3,568
240	240	322	322	322	322
206	201	*	*	*	*
37	37	37	37	37	37
158,566	141,734	135,945	139,623	146,909	131,098
549,885	590,323	632,382	656,507	600,951	483,303
32,716	31,454	29,756	26,439	29,735	27,477
14,536	14,442	14,453	14,473	14,492	14,596
35,366	34,929	35,618	38,425	40,656	41,053
11,361	11,331	11,435	10,958	10,894	11,536
3,554	3,549	3,395	3,396	3,395	3,343
3,605,000	3,400,000	3,514,000	3,020,000	3,256,000	3,269,000
2,590,000	2,800,000	2,850,000	2,670,000	2,600,000	2,800,000
27	27	26	22	*	26
128	128	128	128	128	128
4,232,000	4,100,000	4,370,000	4,390,000	4,596,000	4,613,000

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

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<b>Function</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Fire</b>				
Fire stations	3	3	3	3
<b>Culture and recreation</b>				
Baseball fields	10	10	10	10
Baseball stadium (seating capacity)	5,509	5,509	5,509	5,509
Basketball - indoor courts	1	1	1	1
Basketball - outdoor courts	5	5	5	5
Community center	1	1	1	1
Fishing areas	15	15	15	15
Golf courses	2	2	2	2
Library	2	2	2	2
Marina (slips)	183	183	183	183
Multi- purpose indoor court	1	1	1	1
Nature center	1	1	1	1
Parks *	32	32	31	31
Picnic areas	15	15	15	15
Public boat ramps	1	1	1	1
Recreation centers	3	3	3	3
Senior center	1	1	1	1
Soccer / football fields	4	4	4	4
Softball fields	5	5	5	5
State and county parks	4	4	4	4
Swimming pools	1	1	1	1
Tennis courts	11	11	11	11
Utility playfields	4	4	4	4
<b>Water</b>				
Water mains (miles)	172	172	172	172
Water plants	1	1	1	1
Fire hydrants	1,354	1,314	1,310	1,292
<b>Sewer (wastewater)</b>				
Mains	153	153	150	150
Lift stations	43	43	43	43
Treatment plants	1	1	1	1
Sewers (miles)	128	128	128	128

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

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
3	3	3	3	3	3
10	12	12	12	12	12
5,509	5,509	5,509	5,509	5,509	5,509
1	1	1	1	1	1
5	5	5	5	5	5
1	1	1	1	1	1
15	15	15	15	15	15
2	2	2	2	2	2
2	2	2	2	2	2
183	194	194	194	194	194
1	1	1	1	1	1
1	1	1	1	1	1
31	31	32	32	31	31
15	15	15	15	15	15
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
4	4	4	4	4	4
5	5	3	3	3	3
4	4	4	4	4	4
1	1	1	1	1	1
11	11	11	11	11	11
4	4	4	4	4	4
172	172	172	172	172	172
1	1	1	1	1	1
1,238	1,236	1,220	1,220	1,220	1,220
150	150	150	150	150	150
43	43	42	42	42	42
1	1	1	1	1	1
128	128	128	128	128	128

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## **COMPLIANCE SECTION**

# DUNEDIN

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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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 4, 2018. 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 June 4, 2019.

### **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.*

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Tampa, Florida  
June 4, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH 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 City's major state projects for the year ended September 30, 2018. The City's major state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's 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 compliance for the City's major state projects based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of 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 projects 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 the major state projects. However, our audit does not provide a legal determination of the City's compliance.

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

### ***Opinion on Each Major State Project***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to in the first paragraph that could have a direct and material effect on its major state projects for the fiscal year ended September 30, 2018.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to in the first paragraph. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project 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 federal program 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 federal program 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 federal program 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 preceding paragraph 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.

### **Report on Schedule of Expenditures of State Financial Assistance Required by Chapter 10.550, *Rules of the Auditor General***

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 4, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of State Financial Assistance is presented for the purposes of additional analysis, as required by Chapter 69I-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.

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

**Report on Schedule of Expenditures of State Financial Assistance Required by Chapter 10.550,  
*Rules of the Auditor General (Continued)***

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. 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

Tampa, Florida  
June 4, 2019

CITY OF DUNEDIN, FLORIDA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For The Year Ended September 30, 2018

<u>Agency/State Project</u>	<u>CSFA #</u>	<u>Grant #</u>	<u>Total Program Expenditures</u>
Florida Department of Environment Protection Drinking Water State Revolving Fund	37.076	DW520260	\$ 2,291,918
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
State of Florida Department of Transportation Stormwater Education Project	55.024		7,429
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<u>\$ 2,799,351</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, 2018**

**SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statements**

Type of Auditor's Report Issued:

**Unmodified Opinion**

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

**State Financial Assistance**

Internal control over major state projects:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of report issued on compliance for major state 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  No

**Identification of Major State Project:**

**CSFA Numbers**

**Name of State Projects**

37.076

Drinking Water Facility Construction

73.016

Facilities for Retained Spring Training Franchise

Dollar threshold used to distinguish between Type A and Type B programs: State

\$300,000

**CITY OF DUNEDIN, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Cont.)**

**For the Year Ended September 30, 2018**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III - STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION IV - PRIOR AUDIT FINDINGS**

None reported.





Certified Public Accountants

## 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 Sections 218.415, Florida Statutes, during the fiscal year ended September 30, 2018. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination 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, 2018.

*Moore Stephens Lovelace, P.A.*

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Tampa, Florida  
June 4, 2019



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, 2018, and have issued our report thereon dated June 4, 2019.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have 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*, Schedule of Findings and Questioned Costs, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 4, 2019 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 findings and recommendations in the preceding financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

### **Financial Condition and Management**

Section 10.554(1)(i)5.a and 10.556(7)., *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions 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.

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

### **Financial Condition and Management (*Continued*)**

Pursuant to Sections 10.554(1)(i)5.b. 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.

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 did not have any such recommendations.

### **Deepwater Horizon Oil Spill**

Section 10.556(10)(e), *Rules of the Auditor General*, requires a determination of the City's compliance with federal and state laws, rules, regulations, contracts, or grant agreements related to the receipt and expenditure of funds related to the Deepwater Horizon Oil Spill. The City's Deepwater Horizon Oil Spill funds received are unrestricted and, therefore, do not have related compliance requirements.

### **Additional Matters**

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 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.*

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Tampa, Florida  
June 4, 2019

**CITY OF DUNEDIN, FLORIDA**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FUNDS RELATED TO THE  
DEEPWATER HORIZON OIL SPILL**

**For the Year Ended September 30, 2018**

<b>Source</b>	<b>Amount Received in the 2014-15 Fiscal Year</b>	<b>Amount Expended in the 2014-15 Fiscal Year</b>	<b>Amount Expended in the 2015-16 Fiscal Year</b>	<b>Amount Expended in the 2016-17 Fiscal Year</b>	<b>Amount Expended in the 2017-18 Fiscal Year</b>
<b>British Petroleum:</b>					
Agreement No. Not Applicable	\$ 2,929,946	\$ -	\$ 101,582	\$ 45,770	\$ 2,233,328

Note: This does not include funds related to the Deepwater Horizon Oil Spill that are considered Federal awards or State financial assistance. The City did not receive funds that were considered Federal funds or State financial assistance related to the Deepwater Horizon Oil Spill.