

DUNEDIN

Home of Honeymoon Island



**City of Dunedin, Florida
Fiscal Year Ended
September 30, 2019**

Comprehensive Annual Financial Report

'Dedicated to Quality Service'

City of Dunedin, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2019

TABLE OF CONTENTS

INTRODUCTORY SECTION:

Letter of Transmittal.....	1
Organizational Chart.....	5
GFOA Certificate of Achievement.....	6

FINANCIAL SECTION:

Independent Auditors’ Report.....	9
Management’s Discussion and Analysis.....	11

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	25
Statement of Activities	26

Fund Financial Statements:

Balance Sheet - Governmental Funds	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund.....	35
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Stadium Fund	36
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Penny Fund.....	37
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Community Redevelopment Agency.....	38
Statement of Net Position - Proprietary Funds	40
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	44
Statement of Cash Flows - Proprietary Funds	46
Statement of Fiduciary Net Position - Fiduciary Funds	48
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	49

Notes to the Financial Statements	51
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Required Supplementary Information:

Florida Retirement System Defined Benefit Pension Plan	103
Municipal Firefighters’ Pension Trust Fund.....	105
Other Post Employment Benefits.....	109

Combining and Other Supplementary Information and Schedules:

City of Dunedin, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2019

TABLE OF CONTENTS

Schedule of Expenditure Detail – Budget and Actual – General Fund	111
Combining Balance Sheet - Nonmajor Governmental Funds.....	113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	114
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Nonmajor Governmental Funds:	
Impact Fees Fund.....	115
Building Fund	116
County Gas Tax Fund	117
Combining Statement of Net Position - Internal Service Funds	119
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds	120
Combining Statement of Cash Flows - Internal Service Funds	121

STATISTICAL SECTION:

Financial Trends:

Net Position by Component	124
Changes in Net Position.....	126
General Governmental Tax Revenues by Source - Last Ten Fiscal Years	128
Fund Balances – Governmental Funds – Last Ten Fiscal Years.....	130
Change in Fund Balances – Governmental Funds - Last Ten Fiscal Years	132
General Governmental Expenditures and Transfers by Function - Last Ten Fiscal Years	134

Revenue Capacity:

Taxable Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	138
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	140
Principal Property Taxpayers – Current Year and Ten Years Ago.....	141
Property Tax Levies and Collections – Last Ten Fiscal Years	142

Debt Capacity:

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	144
Direct and Overlapping Governmental Activities Debt	145
Revenue Bond Coverage – Water and Sewer Revenue Bonds – Last Ten Fiscal Years	146
Revenue Bond Coverage – Stormwater Revenue Bonds	147
Schedule of Debt Service Ratio	148
Schedule of Total Annual General Government Debt Service – Last Two Fiscal Years plus Next Year.....	149

Demographic and Economic Information:

Demographic and Economic Statistics – Last Ten Fiscal Years.....	152
Principal Employers – Current Year and Ten Years Ago	153

City of Dunedin, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2019

TABLE OF CONTENTS

Operating Information:

Full-Time Equivalent City Government Employees	156
Operating Indicators by Function	158
Capital Asset and Facility Statistics by Function	160

COMPLIANCE SECTION:

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Finance Statements Performed in Accordance with Government Auditing Standards.....	163
Independent Auditor’s Report on Compliance for each Major Federal Program and Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance in Accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General	165
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	168
Schedule of Findings and Questioned Costs.....	169
Independent Accountant’s Report	171
Independent Auditor’s Management Letter	172
Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill	174

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CITY OF DUNEDIN, FLORIDA

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2019

CITY COMMISSION

JULIE WARD BUJALSKI
Mayor

HEATHER GRACY
Vice Mayor

DEBORAH KYNES
Commissioner

JEFF GOW
Commissioner

MAUREEN "MOE" FREANEY
Commissioner

CITY MANAGER

JENNIFER K. BRAMLEY

DIRECTOR OF FINANCE

LES TYLER

PREPARED BY: CITY OF DUNEDIN FINANCE DEPARTMENT

DUNEDIN

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INTRODUCTORY SECTION

March 25, 2020

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 (the "City") for the fiscal year ended September 30, 2019. 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. 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 MSL, 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, 2019 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, 2019. 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 the 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 37,463. 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. 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. Although a legally separate entity, because of their close relationship with the City, the CRA is reported as though they are part of the City (i.e. a blended presentation). Information on this entity can be found under the Reporting Entity section of the Notes to the Financial Statements, on page 51.

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, stadium, penny and the community redevelopment agency funds, these comparisons are presented on pages 35 - 38 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 115 - 117.

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 (56 percent), with industrial and commercial land uses comprising only 6 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, 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 2019, the City's unemployment was at 3.1 percent and total population 37,463. The median age was 55.4 years of age, and median household income was \$52,075, based on the most recent census data. Approximately 34.4 percent of Dunedin's residents were of retirement age (65 and over) in 2019. 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 newly renovated Spring Training Facility for the Toronto Blue Jays, a major league baseball team. 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 five consecutive years of increases in taxable property values. In the two most recent years, total taxable assessed value increased year over year by 9.2% and 8.8% in 2018 and 2019 respectively. Ad valorem taxes collected also increased year over year by \$0.8 million or 9.9% in fiscal year 2018; and \$0.9 million or 8.9% in fiscal year 2019. The increase in property tax revenue is due to higher property values. Property taxes were 32.1% of the general fund revenues in fiscal year 2019.

The general fund's main revenue sources include property tax, utility taxes, state revenue sharing and half cent sales taxes. In fiscal year 2019 utility taxes represent 15.1% of the general fund's revenue. Utility taxes have been relatively consistent over the past several years. State revenue sharing and half cent sales taxes have been trending upward and together make up 12.4% of general fund revenue. Infrastructure sales tax revenues in the penny fund increased from \$3.9 million in fiscal year 2018, to \$4.1 million in fiscal year 2019, an increase of 5.2%. This revenue source represents approximately 7.9% of the Governmental Activities revenue.

As a result of 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+.

In the City's continuous pursuit of improvement, the City completed the first portion of its Information Systems upgrade. Beginning with the financial system, the City implemented Tyler Munis software. This software will allow us to work more efficient and provide modern tools to examine data and respond to our stakeholders.

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 City Manager proposes the 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 budget development process, but does not appropriate funds. 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. Projections are updated and the first year's initiatives and capital projects are incorporated into the next operating budget. The LRFP projects the City's major revenues, operating expenditures, fund balance and capital projects over a rolling six year period.

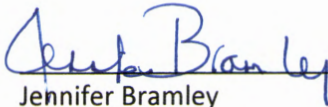
At the time of the FY 2019 audit field work in late February 2020 the City of Dunedin was projected to remain in good financial condition over the next several years as the economy was in a strong position. However, the financial outlook has changed dramatically due to the impacts of COVID-19. S&P Global, a world leader in providing financial and industry data for individuals, companies and governments, on March 23, 2020 announced that the measures to contain COVID-19 have pushed the global economy into a recession. The financial impact of COVID-19 on the State of Florida and our City is unknown at this time.

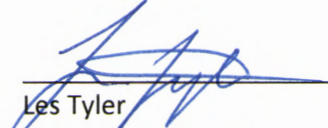
The City's responsible fiscal policies have placed the City in a stronger financial condition which is illustrated by the general fund's unassigned fund balance. At year end, that balance was \$5.4 million or 60.1% of fund balance, and 18.3% of the fiscal year 2019 adopted general fund operating budget. The goal for unassigned fund balance at year end is to be 15% of the current year's adopted operating expenditure budget.

Acknowledgements

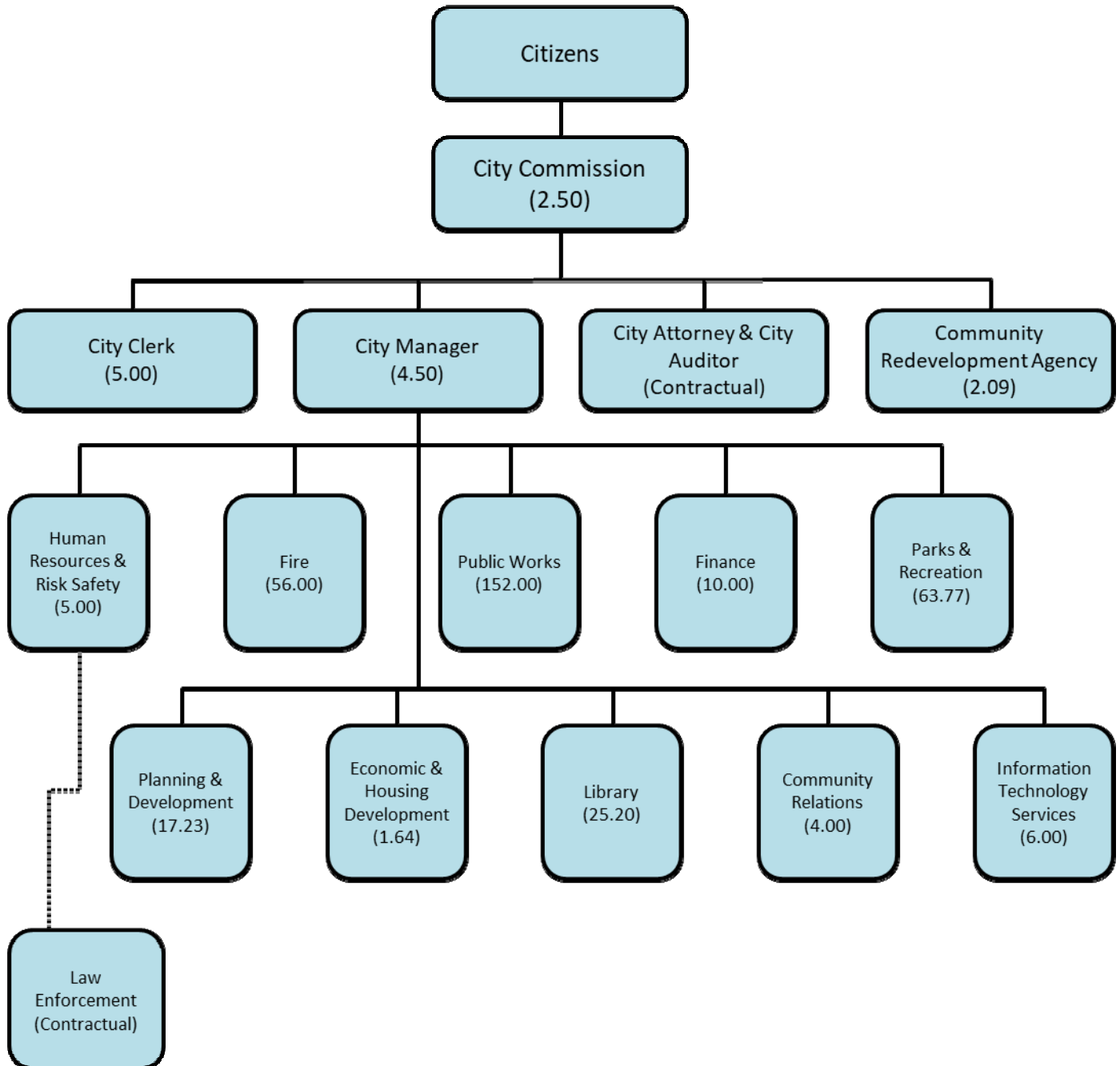
Preparation of the CAFR and completion of the audit was made possible by the dedicated efforts of staff of the Finance Department. The City's Auditors, MSL, P.A. are commended for their professionalism in conducting the audit. MSL's expertise added credibility to contents found within this CAFR. Last, 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 2019 Organization Chart with
Full Time Equivalents (FTEs)**



Total Authorized FTEs as of 9/30/19 = 354.93

City of Dunedin, Florida
Certificate of Achievement

For the year ended September 30, 2018

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, 2018.

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, 2018

Christopher P. Morill

Executive Director/CEO

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Home of Honeymoon Island

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FINANCIAL SECTION



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, 2019, 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 and net position of the fiduciary fund. Those financial statements were audited by other auditors, whose report thereon has been furnished to us and our opinion, insofar as it relates to the amounts included for the aforementioned fiduciary fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position, and cash flows, where applicable, and the budgetary to actual for the General Fund and each Major Special Revenue Fund 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

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 March 25, 2020, 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.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 25, 2020

CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

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, 2019. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal, the basic financial statements, and the accompanying notes to the financial statements, which are included in this report.

Financial Highlights

- The City's net position (assets and deferred outflows over liabilities and deferred inflows) amounted to \$169.4 million at the close of fiscal year 2019, an increase of \$22.9 million, or 15.6% over the net position at the prior fiscal year end. This change in net position consisted of an increase to governmental activities of \$23.2 million, offset by business-type net position decreasing \$0.3 million.
 - Of this net position amount, \$101.0 million (59.6%) is net investment in capital assets and \$33.7 million (19.9%) is restricted. The remaining \$34.7 million (20.5%) represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens, creditors and other agencies.
 - General revenues total \$28.0 million or 33.3% of all revenues. Program-specific revenue in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$56.0 million or 66.7% of all revenues.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$43.3 million, an increase of \$22.8 million (111.1%) in comparison with the prior year combined ending fund balances. Unassigned fund balance was \$5.4 million, and therefore available for spending at the City's discretion. The remainder is nonspendable, restricted, committed, or assigned for contracts, programs, or debt.
- 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 \$7.0 million, or approximately 23.6% of total general fund expenditures including transfers out.
- The City's total outstanding debt increased by \$34.8 million during the current fiscal year. Governmental activities debt increased by \$33.0 million due to funding for the new spring training facilities. Business-type activities increased by \$1.8 million. This increase is attributable to the funding for the City's Reverse Osmosis Water Treatment Plant. These changes are illustrated later in the "Outstanding Debt" table and in the notes to the financial statements concerning long-term liabilities (see Note 4.B., Long-Term Debt).

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City's basic financial statements. The City's statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

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 environment, 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 25 - 27 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

CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

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 penny 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 nonmajor government funds are the impact fee fund, building fund, and county gas tax fund. Individual fund data for each of these non-major governmental funds is provided 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.

The basic governmental fund financial statements can be found on pages 28 - 38 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 being eliminated as a separate fund. Activities associated with parking operations will be accounted for as part of the general fund beginning in FY2020. *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 - 46 of this report.

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

CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

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

Notes to the financial statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 51 - 101 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 103 - 109 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 statements and other supplementary information schedules can be found on pages 111 - 121 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 health. In the case of the City of Dunedin, assets and deferred outflows of \$267.8 million exceeded liabilities and deferred inflows of \$98.4 million by \$169.4 million as of September 30, 2019.

As illustrated in the table on the next page, the largest portion of the City's net position (59.6%) reflects its net investment in capital assets (i.e., 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.

The restricted portion of the City's net position 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 \$17.1 million during the year, primarily from funding for the new spring training facilities.

The remaining balance represents the City's unrestricted net position. As of September 30, 2019, the City's unrestricted net position was \$34.7 million, a decrease of \$0.3 million from the prior fiscal year-end. This portion of net position is used to meet the City's ongoing obligations to citizens and creditors.

CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

City of Dunedin, Florida						
Net Position						
September 30						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 63,038,814	\$ 30,144,946	\$ 38,927,330	\$ 36,393,153	\$ 101,966,144	\$ 66,538,099
Capital assets	105,073,682	71,053,155	58,047,159	56,234,193	163,120,841	127,287,348
Total assets	168,112,496	101,198,101	96,974,489	92,627,346	265,086,985	193,825,447
Deferred outflow of resources	2,141,116	2,758,837	573,307	651,993	2,714,423	3,410,830
Current liabilities	12,937,740	2,487,920	6,811,439	3,979,272	19,749,179	6,467,192
Long-term liabilities outstanding:						
Due within one year	3,889,446	1,500,530	2,521,919	1,750,386	6,411,365	3,250,916
Due in more than one year	39,339,026	8,869,989	25,148,857	24,225,287	64,487,883	33,095,276
OPEB liability	1,200,024	1,114,297	613,937	574,331	1,813,961	1,688,628
Net pension liability	1,986,643	2,553,762	1,575,857	1,486,142	3,562,500	4,039,904
Total liabilities	59,352,879	16,526,498	36,672,009	32,015,418	96,024,888	48,541,916
Deferred inflow of resources	1,866,031	1,567,225	480,565	565,768	2,346,596	2,132,993
Net position:						
Net investment in capital assets	66,403,811	63,664,408	34,609,553	31,280,649	101,013,364	94,945,057
Restricted	33,699,242	15,029,816	-	1,542,739	33,699,242	16,572,555
Unrestricted	8,931,649	7,168,991	25,785,669	27,874,765	34,717,318	35,043,756
Total net position	\$ 109,034,702	\$ 85,863,215	\$ 60,395,222	\$ 60,698,153	\$ 169,429,924	\$ 146,561,368

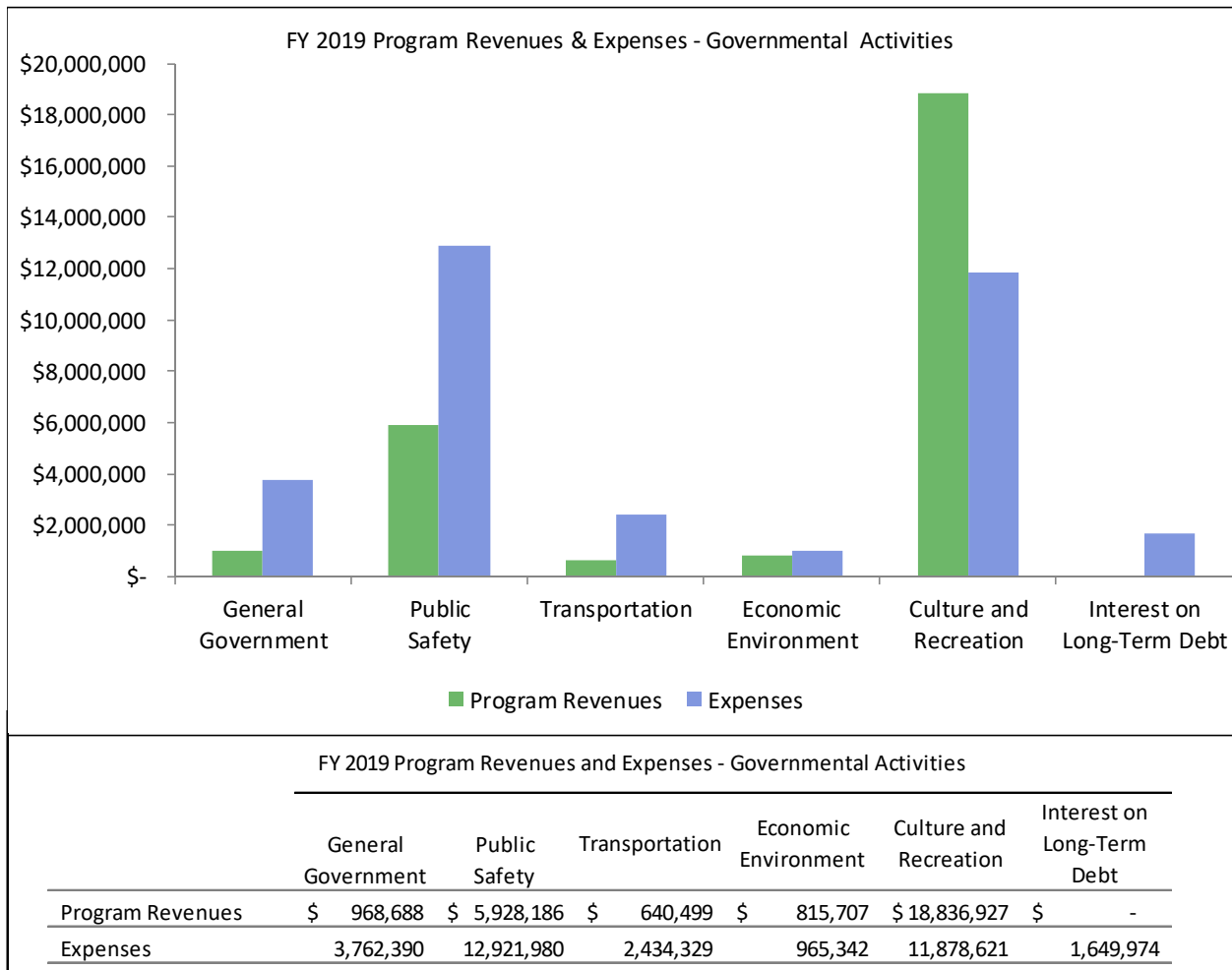
Governmental activities. The manner in which the City's net position changed during the most recent fiscal year is reflected in the statement of activities, a summary of which is shown in the table on the next page. This statement divides the activities between governmental activities and business-type activities. Governmental activities increased the City's net position by \$20.8 million before transfers. Key elements of this change are as follows:

- Revenues were up in fiscal year 2019 by \$18.5 million, or 51.4%, totaling \$54.4 million compared to last year's total of \$35.9 million. Property tax revenue increased \$0.9 million, or 8.9%, from fiscal year 2018 due to increased property values. Capital grants and contributions rose by \$14.3 million primarily due to contributions for the spring training facilities. Unrestricted investment earnings and Charges for Services also increased by \$0.3 million and \$2.1 million respectively.
- Total expenses increased marginally in fiscal year 2019 by \$0.9 million or 2.7%, after increasing by \$2.5 million in fiscal year 2018. The increase in fiscal year 2018 expenses was largely a result of Hurricane Irma. Fiscal year 2019 governmental expenses had an increase of \$1.4 million in interest and cost of issuance on long-term debt tied to existing agreements and new bond issuance. This new issuance was to fund construction of the new spring training facilities. Additional details on the new debt may be found in Note 4.B. Expenses for culture and recreation rose by \$0.6 million. This increase was offset by a decrease of \$1.0 million to general government expenses.

CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

City of Dunedin, Florida						
Changes in Net Position						
September 30						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues						
Charges for services	\$ 10,331,389	\$ 8,210,450	\$ 28,148,435	\$ 26,661,692	\$ 38,479,824	\$ 34,872,142
Operating grants and contributions	729,456	667,625	154,115	7,429	883,571	675,054
Capital grants and contributions	16,129,162	1,857,026	490,371	3,567,449	16,619,533	5,424,475
General revenues:						
Property taxes	10,677,022	9,801,125	-	-	10,677,022	9,801,125
Utility services taxes	4,589,508	4,360,098	-	-	4,589,508	4,360,098
Franchise fees	2,789,433	2,592,367	-	-	2,789,433	2,592,367
Intergovernmental revenues	7,920,371	7,617,535	-	-	7,920,371	7,617,535
Other taxes	373,484	336,747	-	-	373,484	336,747
Other	891,264	510,718	792,210	476,098	1,683,474	986,816
Total Revenues	54,431,089	35,953,691	29,585,131	30,712,668	84,016,220	66,666,359
Expenses:						
General government	3,762,390	4,722,335	-	-	3,762,390	4,722,335
Public safety	12,921,980	12,898,138	-	-	12,921,980	12,898,138
Transportation	2,434,329	2,768,959	-	-	2,434,329	2,768,959
Economic environment	965,342	914,486	-	-	965,342	914,486
Culture and recreation	11,878,621	11,272,053	-	-	11,878,621	11,272,053
Interest on long-term debt	1,649,974	155,629	-	-	1,649,974	155,629
Solid waste	-	-	5,610,862	5,289,057	5,610,862	5,289,057
Water/Sewer utility	-	-	16,813,915	17,006,572	16,813,915	17,006,572
Stormwater utility	-	-	4,293,384	4,028,592	4,293,384	4,028,592
Marina	-	-	407,017	423,653	407,017	423,653
Parking	-	-	409,850	663,977	409,850	663,977
Total Expenses	33,612,636	32,731,600	27,535,028	27,411,851	61,147,664	60,143,451
Increase (decrease) in net position before transfers	20,818,453	3,222,091	2,050,103	3,300,817	22,868,556	6,522,908
Transfers	2,353,034	82,700	(2,353,034)	(82,700)	-	-
Increase (decrease) in net position after transfers	23,171,487	3,304,791	(302,931)	3,218,117	22,868,556	6,522,908
Net position-beginning	85,863,215	82,558,424	60,698,153	57,480,036	146,561,368	140,038,460
Net position-ending	\$ 109,034,702	\$ 85,863,215	\$ 60,395,222	\$ 60,698,153	\$ 169,429,924	\$ 146,561,368

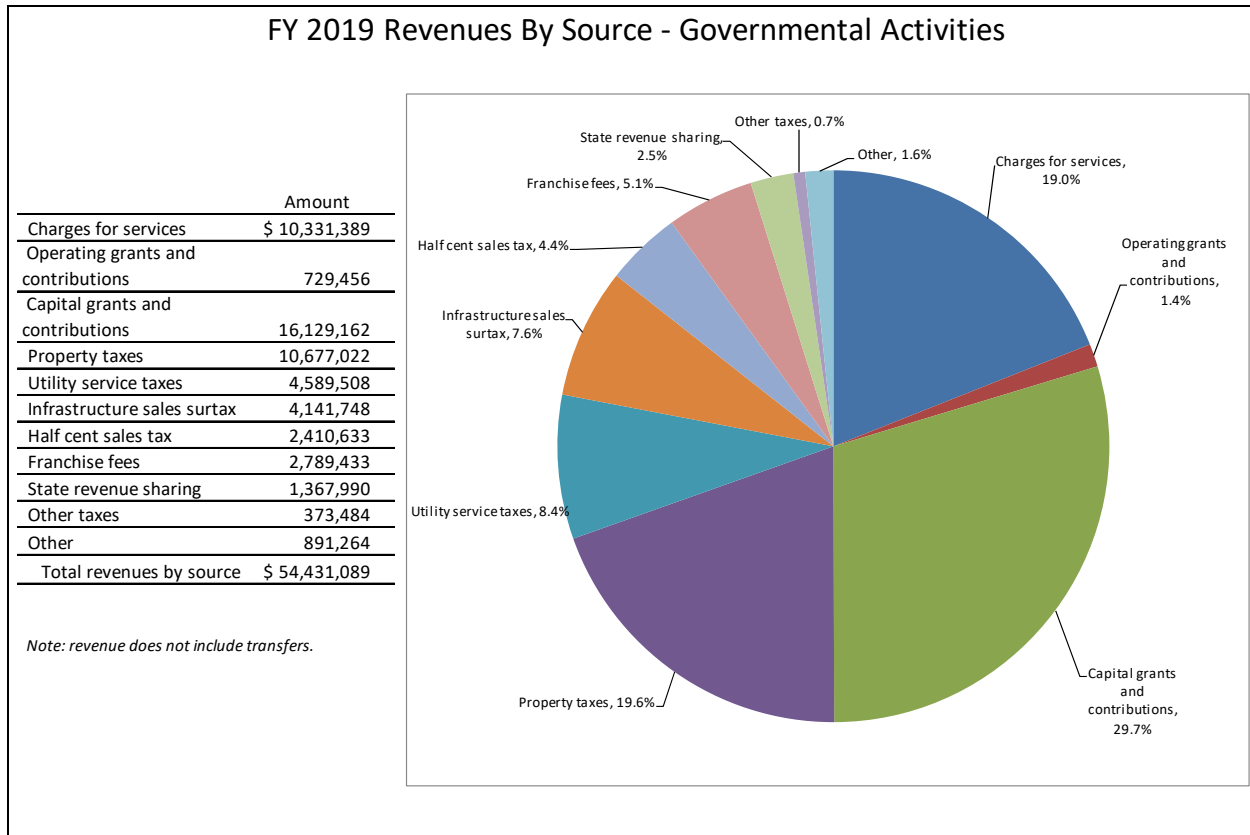
CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019



As the bar chart above illustrates, governmental activities typically do not pay for themselves. For example, public safety expenses exceed program revenues by \$7.0 million. As noted previously, the \$7.0 million program revenue surplus in culture and recreation is restricted funding for the new spring training facilities.

The pie chart on the next page shows that overall, 50.1% of offsetting revenues for governmental activity expenses come from specific charges for services (19.0%) and grants (31.1%). The remaining 49.9% of revenue supporting governmental activities comes from property taxes (19.6%), other taxes, fees and revenue sharing (28.7%), and investment earnings (1.6%).

CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019



Business-type activities. Business-type activities increased the City's net position in FY2019 by \$2.0 million before transfers. Key elements of this increase are as follows:

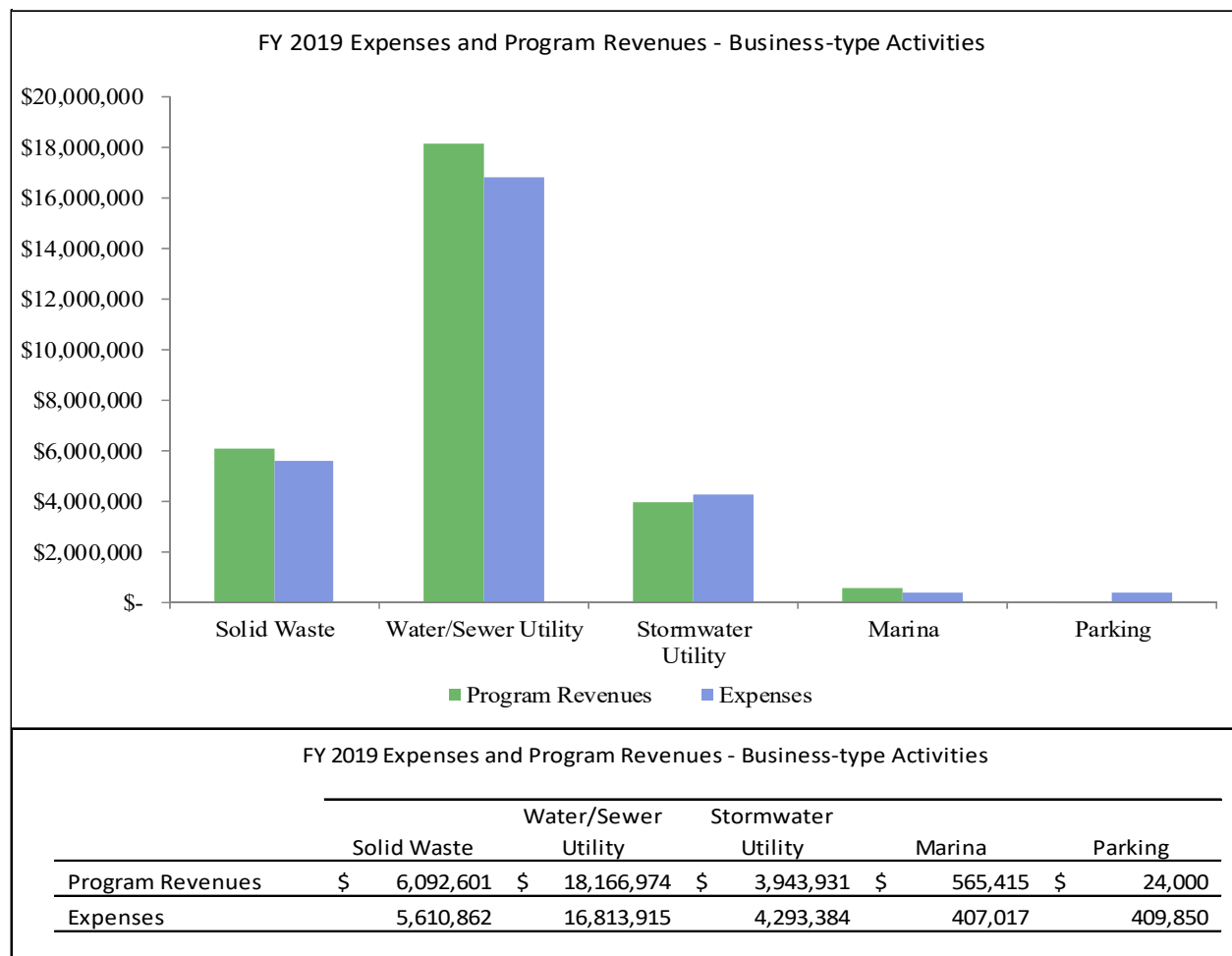
- Charges for services revenues for business-type activities increased by \$1.5 million or 5.6% from fiscal year 2018.
 - Solid waste operating revenues were up \$0.6 million or 11.6%, from \$5.4 million to \$6.0 million, primarily as a result of an average 10.0% rate increase for residential and nonresidential.
 - Water and Sewer utility operating revenues were up \$0.8 million or 4.8%, from \$16.8 million to \$17.7 million, in line with the 4.7% average rate increase which went into effect October 1, 2018 for water/sewer unit charges and use fees.
 - Stormwater utility operating revenues increased \$0.2 million or 4.9%, from \$3.7 million to \$3.9 million, primarily as a result of stormwater fees increasing by approximately 3.5%.
 - The parking fund operating revenue in fiscal year 2019 decreased from \$0.2 million to \$24,000. As noted, this fund is being eliminated and beginning in fiscal year 2020 activities will be accounted for in the general fund.

- Total expenses before transfers for business-type activities increased slightly by \$0.1 million or 0.4% from fiscal year 2018. Total revenues before transfers decreased \$1.2 million or -3.7% from fiscal year 2018.

CITY OF DUNEDIN, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

- Business-type activities had net transfers out of \$2.3 million in fiscal year 2019 compared to transfers out of \$82,700 in fiscal year 2018. The increase in fiscal year 2019 is attributable to the transferring of \$2.2 million of parking fund proceeds to the general fund.

Unlike governmental activities, business-type activities are typically able to pay for themselves through specific user charges and other revenue sources. The bar chart below illustrates this case for the City’s Solid Waste, Water/Sewer Utility, and Marina Funds. While Stormwater Utility is reflecting a loss, it should be noted that there are significant non-cash expenses such as depreciation reported in each of those funds. Furthermore, all business-type activities 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, penny 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,

CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

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 \$43.3 million, an increase of \$22.8 million in comparison with the prior fiscal year. Approximately 12.6% of this amount (\$5.4 million) constitutes unassigned fund balance, which is available for spending. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned*, to indicate that it is: not in spendable form (\$2.4 million), legally restricted for specific purposes by entities outside the City's control (\$33.9 million), committed for particular purposes (\$0.8 million), or assigned for particular purposes (\$0.8 million). For additional information, see Note 6 – 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 18.4% of total general fund expenditures for the current fiscal year, while total fund balance represents 30.6% of that same amount.

The total fund balance of the City's general fund increased by \$2.9 million (47.7%) during fiscal year 2019.

- The general fund budgeted for a deficit of \$2.3 million excluding transfers and sale of general fixed assets. At fiscal year-end, actual revenues surpassed budgeted revenues by \$1.4 million. Actual expenditures were \$1.8 million under budget, resulting in an excess of revenues over expenditures of \$0.8 million before transfers and sale of general fixed assets.
- Actual revenues exceeded budget due primarily to reimbursement for Hurricane Irma costs (\$0.7 million), increase in utility service (\$0.3 million), and tree bank fees and other planning permits (\$0.3 million).

The total fund balance of the stadium fund increased \$15.6 million (265.7%) during fiscal year 2019, however, expenditures exceeded revenues by \$18.9 million before adding other financing sources.

- The increase in fund balance is due to an issuance of debt to fund a portion of the stadium renovation and spring training facilities.
- Investment earnings rose in fiscal year 2019 to \$0.7 million as a result of invested bond proceeds.

The penny sales tax fund has a total fund balance of \$7.4 million, all of which is restricted. The net increase in fund balance during the current year was \$1.7 million.

- The revenues during the current fiscal year were \$4.2 million while expenditures were \$2.4 million. Of that expenditure amount, \$0.8 million (33.7%) was spent on debt service.
- Total revenues increased by \$0.2 million or 5.8%, compared to fiscal year 2018.
- Total expenditures increased \$1.3 million or 112.0%, compared to fiscal year 2018. Increased expenditures included capital outlay improvements for roads, public safety and the new City Hall.

CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

The community redevelopment agency (CRA) fund has a total fund balance of \$0.5 million. The CRA fund balance increased \$60,061 during the year.

- The revenues from the current fiscal year were \$1.1 million including \$0.9 million in property tax revenue, while expenditures were \$0.9 million. Total revenues increased \$0.2 million or 29.4%, compared to fiscal year 2018. Property tax revenues, the main source of revenue for the CRA, increased \$0.1 million or 16.9% from fiscal year 2018 due to an increase in property values.
- Total expenditures increased \$0.3 million, or 46.6%, compared to fiscal year 2018 in part due to the acquisition of a parcel of land for the Hammock Creek Park expansion.

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 (impact fee, building, and county gas tax) are considered nonmajor funds and are summarized in aggregate below.

- The nonmajor funds have a total fund balance of \$4.9 million. The fund balance increased by \$2.5 million in fiscal year 2019, due to increases in both the impact fee (\$1.1 million) and the building (\$1.4 million) funds.
- Revenues from the current fiscal year were \$4.2 million. Total revenues increased \$1.6 million compared to fiscal year 2018.
- Total expenditures decreased \$0.2 million, or -9.2%, compared to fiscal year 2018.

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 increased \$0.2 million (14.4%) from fiscal year 2018. There was an increase in operating revenue of \$0.6 million. This increase was offset by a \$0.3 million increase to operating expenses in personnel and supplies and services. The budgeted rise in personnel expense was to enhance services to the City's residents.
- In the water/sewer utility fund, net position increased \$1.6 million (4.5%) during fiscal year 2019. Water/Sewer operating revenues increased \$0.8 million for 2019. Capital contributions of \$0.5 million were realized as a result of Impact fees from the number of projects developed in the City. Operating expenses decreased year-over-year by \$0.1 million.
- In the stormwater utility fund, net position decreased \$0.3 million (-2.0%) from fiscal year 2018. Current year revenues exceeded the prior year's revenue by \$0.2 million or 4.9%. Total operating expenses were \$0.3 million (8.7%) higher than fiscal year 2018. The decrease in net position is primarily attributable to an increase in supplies and services.
- In the marina fund, net position increased \$0.2 million (6.6%) from fiscal year 2018. Operating revenue was up 1.9% year-over-year and operating expenses increased 0.4% from the prior year.
- The parking fund was established in fiscal year 2017 as an enterprise fund to account for the activity of the downtown parking program. At September 30, 2019, the fund has a zero net position as a result of a transfer out to the general fund, where future activity related to the City's parking program will be accounted for.

**CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

General Fund Budgetary Highlights

Original budget compared to final budget

Revenues. Budgeted revenues in the general fund increased \$7,223 through budget amendments. This change was due to contributions by the Library to purchase technology products for youth.

Expenditures. Budgeted expenditure appropriations in the general fund increased \$1.7 million. Significant changes to expenditure appropriations were:

- Increase in non-departmental expenditures of \$0.6 million which reduced budgeted contingency
- Increase of \$0.2 million for city-wide roof and air conditioning repair
- Increase of \$0.1 million for the Green Building incentive
- Increase of \$0.1 million for the installation of lights at the Highlander tennis courts and street electricity
- Increase of \$0.1 million for the renovation of the Library restrooms

Final budget compared to actual results

Revenues. Actual general fund revenues exceeded budget by \$1.4 million or 4.8%. This variance was primarily attributable to the following:

- Federal reimbursement for Hurricane Irma expenses, \$0.7 million
- Higher than anticipated Tree Bank fees of \$0.3 million
- Higher collection of Electric and Gas Franchise Fees \$0.3 million

Expenditures. Actual general fund expenditures were under budget by \$1.8 million or 5.9%. Significant variances in budget-to-actual expenditures were primarily due to the following:

- \$0.6 million budgeted for HVAC replacements at the Dunedin Community Center was unspent as a result of project delays. The funds were re-appropriated for this project in FY 2020.
- \$0.3 million budgeted for roof replacement at the Hale Community Center went unexpended due to project delays. The funds were re-appropriated for the same purpose in FY 2020.
- \$0.3 million budgeted for various maintenance & repair or capital improvement projects related to parks and recreation facilities that were not committed during the fiscal year due to project delays. Some of these funds were re-appropriated for the projects as part of the FY 2020 budget.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$163.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net increase in capital assets for the current fiscal year was approximately \$35.8 million or 28.2%, consisting of increases of \$34.0 million to governmental activities and \$1.8 million to business-type activities. Accumulated depreciation increased by \$4.5 million for governmental activities and \$5.4 million for business-type activities, in line with depreciation expense.

CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

Significant changes to capital assets are primarily attributable to Construction in Progress for both activities. The increase in governmental activities was for the new spring training facilities (\$32.9 million). The business-type activities increase was due to the City's Reverse Osmosis Water Treatment Plant (\$4.3 million). The City also purchased a new fire truck in fiscal year 2019.

City of Dunedin, FL Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 22,380,966	\$ 22,098,852	\$ 648,676	\$ 648,676	\$ 23,029,642	\$ 22,747,528
Buildings	20,993,475	22,429,367	661,695	720,688	21,655,170	23,150,055
Infrastructure	9,100,678	8,449,119	-	-	9,100,678	8,449,119
Improvements other than Buildings	8,963,236	10,135,017	46,791,369	49,717,688	55,754,605	59,852,705
Machinery and Equipment	8,566,065	6,565,986	2,238,302	2,299,752	10,804,367	8,865,738
Construction in Progress	35,069,262	1,374,814	7,707,117	2,847,389	42,776,379	4,222,203
Total Capital Assets	<u>\$ 105,073,682</u>	<u>\$ 71,053,155</u>	<u>\$ 58,047,159</u>	<u>\$ 56,234,193</u>	<u>\$ 163,120,841</u>	<u>\$ 127,287,348</u>

Additional information on the City's capital assets can be found on pages 66 - 70 of this report in the notes to the financial statements (see Note 4.A.3).

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$67.1 million. Of this amount, \$0.7 million is capital leases, and \$66.4 million of the City's debt represents bonds secured by specific revenue sources (i.e., revenue bonds) and a State Revolving Fund loan. The City's total outstanding debt increased by \$34.8 million during the current fiscal year. This increase is the result of new debt incurred during FY2019 to fund a portion of the construction of the spring training facilities and to construct a water treatment plant. Additional information on the City's long-term debt can be found on pages 72 - 78 in the notes to the financial statements (see Note 4.B.).

City of Dunedin, FL Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Capital leases	\$ 255,767	\$ 380,619	\$ 475,910	\$ 423,119	\$ 731,677	\$ 803,738
Bonds and notes payable	38,414,103	7,008,128	25,459,964	23,667,000	63,874,067	30,675,128
Add: Premiums	1,728,651	-	774,696	863,425	2,503,347	863,425
Total Liabilities	<u>\$ 40,398,521</u>	<u>\$ 7,388,747</u>	<u>\$ 26,710,570</u>	<u>\$ 24,953,544</u>	<u>\$ 67,109,091</u>	<u>\$ 32,342,291</u>

**CITY OF DUNEDIN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Economic Factors Impacting Next Year's Budget

The following factors were considered in preparing the City's budget for the 2020 fiscal year:

- The unemployment rate in Dunedin as of December 2019 is 2.3%, which is lower than the State of Florida's unemployment rate of 3.0% as of the same date.
- 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 taxable value is estimated to grow by 10.8%.

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 1920 Pinehurst Road, Dunedin, Florida, 34698.

BASIC FINANCIAL STATEMENTS

City of Dunedin, Florida
Statement of Net Position
September 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	\$ 54,982,094	\$ 27,555,114	\$ 82,537,208
Receivables, net of allowance for uncollectibles	831,724	4,298,263	5,129,987
Accrued interest receivable	48,436	123,431	171,867
Internal balances	(4,802,443)	4,802,443	-
Due from other governments	9,315,094	150,796	9,465,890
Inventories	124,675	398,023	522,698
Prepaid items	1,858,354	-	1,858,354
Deposits	170,070	-	170,070
Restricted cash and cash equivalents	-	1,599,260	1,599,260
Notes receivable	375,305	-	375,305
Advances to other funds	-	-	-
Net pension assets	135,505	-	135,505
Capital assets, net of accumulated depreciation:			
Land	22,380,966	648,676	23,029,642
Buildings	20,993,475	661,695	21,655,170
Infrastructure	9,100,678	-	9,100,678
Improvements other than buildings	8,963,236	46,791,369	55,754,605
Machinery and equipment	8,566,065	2,238,302	10,804,367
Construction in progress	35,069,262	7,707,117	42,776,379
Total assets	<u>168,112,496</u>	<u>96,974,489</u>	<u>265,086,985</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions and other post-employment benefits (OPEB)	2,141,116	573,307	2,714,423
Total deferred outflows of resources	<u>2,141,116</u>	<u>573,307</u>	<u>2,714,423</u>
LIABILITIES			
Accounts payable and other current liabilities	11,980,402	4,787,274	16,767,676
Accrued interest payable	809,723	423,764	1,233,487
Due to other governments	122,820	-	122,820
Unearned revenue	24,795	1,141	25,936
Liabilities payable from restricted assets	-	1,599,260	1,599,260
Advances from other funds	-	-	-
Noncurrent liabilities:			
Due within one year	3,889,446	2,521,919	6,411,365
Due in more than one year	39,339,026	25,148,857	64,487,883
OPEB liability	1,200,024	613,937	1,813,961
Pension liability	1,986,643	1,575,857	3,562,500
Total liabilities	<u>59,352,879</u>	<u>36,672,009</u>	<u>96,024,888</u>
DEFERRED INFLOWS OF RESOURCES			
Business tax collected in advance	74,808	-	74,808
Pensions and other post-employment benefits (OPEB)	1,791,223	480,565	2,271,788
Total deferred inflows of resources	<u>1,866,031</u>	<u>480,565</u>	<u>2,346,596</u>
NET POSITION			
Net investment in capital assets	66,403,811	34,609,553	101,013,364
Restricted for:			
Capital projects	8,277,505	-	8,277,505
Community Redevelopment Agency	458,607	-	458,607
Stadium	21,422,814	-	21,422,814
Building code	3,358,816	-	3,358,816
Public safety	61,067	-	61,067
Bequests	89,235	-	89,235
Other	31,198	-	31,198
Unrestricted	8,931,649	25,785,669	34,717,318
Total net position	<u>\$ 109,034,702</u>	<u>\$ 60,395,222</u>	<u>\$ 169,429,924</u>

The accompanying notes are an integral part of this statement.

City of Dunedin, Florida
Statement of Activities
For the year ended September 30, 2019

Functions/Programs:	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
<u>Governmental activities:</u>				
General government	\$ 3,762,390	\$ 968,688	\$ -	\$ -
Public safety	12,921,980	5,817,639	70,658	39,889
Transportation	2,434,329	-	-	640,499
Economic environment	965,342	65,179	-	750,528
Culture and recreation	11,878,621	3,479,883	658,798	14,698,246
Interest on long-term debt	1,649,974	-	-	-
Total governmental activities	<u>33,612,636</u>	<u>10,331,389</u>	<u>729,456</u>	<u>16,129,162</u>
<u>Business-type activities:</u>				
Solid waste	5,610,862	6,002,350	90,251	-
Water/Sewer utility	16,813,915	17,664,186	12,417	490,371
Stormwater utility	4,293,384	3,892,484	51,447	-
Marina	407,017	565,415	-	-
Parking	409,850	24,000	-	-
Total business-type activities	<u>27,535,028</u>	<u>28,148,435</u>	<u>154,115</u>	<u>490,371</u>
Total primary government	<u>\$ 61,147,664</u>	<u>\$ 38,479,824</u>	<u>\$ 883,571</u>	<u>\$ 16,619,533</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
Gain on sale of capital assets
Transfers
 Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,793,702)	\$ -	\$ (2,793,702)
(6,993,794)	-	(6,993,794)
(1,793,830)	-	(1,793,830)
(149,635)	-	(149,635)
6,958,306	-	6,958,306
(1,649,974)	-	(1,649,974)
<u>(6,422,629)</u>	<u>-</u>	<u>(6,422,629)</u>
-	481,739	481,739
-	1,353,059	1,353,059
-	(349,453)	(349,453)
-	158,398	158,398
-	(385,850)	(385,850)
<u>-</u>	<u>1,257,893</u>	<u>1,257,893</u>
<u>(6,422,629)</u>	<u>1,257,893</u>	<u>(5,164,736)</u>
10,677,022	-	10,677,022
4,589,508	-	4,589,508
2,789,433	-	2,789,433
4,141,748	-	4,141,748
2,410,633	-	2,410,633
1,367,990	-	1,367,990
373,484	-	373,484
669,495	792,210	1,461,705
221,769	-	221,769
2,353,034	(2,353,034)	-
<u>29,594,116</u>	<u>(1,560,824)</u>	<u>28,033,292</u>
<u>23,171,487</u>	<u>(302,931)</u>	<u>22,868,556</u>
<u>85,863,215</u>	<u>60,698,153</u>	<u>146,561,368</u>
<u>\$ 109,034,702</u>	<u>\$ 60,395,222</u>	<u>\$ 169,429,924</u>

City of Dunedin, Florida
Balance Sheet
Governmental Funds
September 30, 2019

	<u>General</u>	<u>Stadium</u>	<u>Penny</u>	<u>Community Redevelopment Agency</u>
<u>ASSETS</u>				
Cash, cash equivalents, and investments	\$ 7,062,963	\$ 25,512,624	\$ 6,306,119	\$ 463,358
Receivables-net of allowance for uncollectibles	761,592	10,436	26,014	2,721
Due from other governments	1,399,318	6,466,862	684,843	-
Inventories	3,694	-	-	-
Prepaid items	1,842,047	-	-	-
Other assets	19,461	500	-	6,300
Notes receivable	375,305	-	-	-
Advances to other funds	-	-	500,000	-
Total assets	<u>\$ 11,464,380</u>	<u>\$ 31,990,422</u>	<u>\$ 7,516,976</u>	<u>\$ 472,379</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 478,331	\$ 8,203,603	\$ 95,226	\$ 7,959
Contracts payable	249,801	1,850,622	13,497	-
Accrued salaries payable	280,711	-	-	3,813
Deposits payable	69,551	500	-	2,000
Due to other governments	-	-	-	-
Unearned revenue	24,795	-	-	-
Other current liabilities	141,597	12,883	-	-
Advances from other funds	-	500,000	-	-
Total liabilities	<u>1,244,786</u>	<u>10,567,608</u>	<u>108,723</u>	<u>13,772</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Business tax collected in advance	74,808	-	-	-
Federal grants	701,489	-	-	-
Unavailable revenue	375,305	-	-	-
Total deferred inflows of resources	<u>1,151,602</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>				
Nonspendable	1,865,202	500	500,000	6,300
Restricted	181,500	21,422,314	6,908,253	452,307
Committed	815,006	-	-	-
Assigned	757,632	-	-	-
Unassigned	5,448,652	-	-	-
Total fund balances	<u>9,067,992</u>	<u>21,422,814</u>	<u>7,408,253</u>	<u>458,607</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,464,380</u>	<u>\$ 31,990,422</u>	<u>\$ 7,516,976</u>	<u>\$ 472,379</u>

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 4,591,809	\$ 43,936,873
21,461	822,224
764,071	9,315,094
-	3,694
-	1,842,047
-	26,261
-	375,305
-	500,000
<u>\$ 5,377,341</u>	<u>\$ 56,821,498</u>
\$ 287,132	\$ 9,072,251
22,008	2,135,928
14,203	298,727
-	72,051
122,820	122,820
-	24,795
9,350	163,830
-	500,000
<u>455,513</u>	<u>12,390,402</u>
-	74,808
-	701,489
-	375,305
<u>-</u>	<u>1,151,602</u>
-	2,372,002
4,921,828	33,886,202
-	815,006
-	757,632
-	5,448,652
<u>4,921,828</u>	<u>43,279,494</u>
<u>\$ 5,377,341</u>	<u>\$ 56,821,498</u>

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City of Dunedin, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2019

Total fund balances - governmental funds		\$ 43,279,494
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		97,698,018
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.		1,076,794
Deferred outflows/inflows of resources reported in the statement of net position:		
Net deferred outflows - pensions and OPEB	\$ 2,122,300	
Net deferred inflows - pensions and OPEB	<u>(1,785,751)</u>	336,549
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.		12,177,217
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable	(806,635)	
Revenue bonds payable	(40,142,754)	
Compensated absences	(1,669,239)	
Firefighters' pension asset	135,505	
FRS net pension liability	(1,497,271)	
FRS HIS net pension liability	(489,372)	
OPEB liability	<u>(1,063,604)</u>	<u>(45,533,370)</u>
Net position of governmental activities		<u>\$ 109,034,702</u>

The accompanying notes are an integral part of this statement.

City of Dunedin, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended September 30, 2019

	<u>General</u>	<u>Stadium</u>	<u>Penny</u>	<u>Community Redevelopment Agency</u>
REVENUES				
Taxes:				
Property	\$ 9,775,025	\$ -	\$ -	\$ 901,997
Franchise	2,789,433	-	-	-
Utility service	4,589,508	-	-	-
Licenses and permits	533,171	-	-	-
Intergovernmental	5,246,668	13,117,231	4,141,748	100,000
Charges for services	6,159,824	342,840	-	-
Impact fees	-	-	-	-
Fines	614,292	-	-	-
Investment earnings	243,285	701,552	107,486	8,779
Rents	147,778	-	-	45,360
Contributions and donations	153,859	-	-	-
Other revenue	169,289	1,386,123	-	19,819
Total revenues	<u>30,422,132</u>	<u>15,547,746</u>	<u>4,249,234</u>	<u>1,075,955</u>
EXPENDITURES				
Current:				
General government	5,146,771	-	-	-
Public safety	11,701,469	-	-	-
Transportation	1,743,959	-	-	-
Economic environment	-	-	-	552,483
Culture and recreation	10,108,862	239,432	-	-
Debt service:				
Principal	-	402,025	658,000	-
Interest	-	458,691	121,560	-
Debt - cost of issuance	-	372,019	30,574	-
Capital outlay:				
General government	193,553	-	364,273	-
Public safety	49,666	-	317,792	-
Transportation	47,861	-	543,301	-
Economic environment	-	-	-	319,892
Culture and recreation	141,623	32,929,209	359,351	-
Aids and grants	490,595	-	-	43,719
Total expenditures	<u>29,624,359</u>	<u>34,401,376</u>	<u>2,394,851</u>	<u>916,094</u>
Excess (deficiency) of revenues over (under) expenditures	<u>797,773</u>	<u>(18,853,630)</u>	<u>1,854,383</u>	<u>159,861</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,256,234	180,000	18,637	-
Transfers out	(156,500)	-	(180,000)	(99,800)
Issuance of debt	-	32,535,000	-	-
Issuance of refunding bonds	-	-	840,000	-
Premium on debt issuance	-	1,703,987	101,526	-
Payment to refunded bonds escrow	-	-	(909,000)	-
Sale of general capital assets	29,080	-	-	-
Total other financing sources (uses)	<u>2,128,814</u>	<u>34,418,987</u>	<u>(128,837)</u>	<u>(99,800)</u>
Net change in fund balances	2,926,587	15,565,357	1,725,546	60,061
Fund balances - beginning	6,141,405	5,857,457	5,682,707	398,546
Fund balances - ending	<u>\$ 9,067,992</u>	<u>\$ 21,422,814</u>	<u>\$ 7,408,253</u>	<u>\$ 458,607</u>

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 10,677,022
-	2,789,433
-	4,589,508
-	533,171
1,179,990	23,785,637
2,552,713	9,055,377
379,861	379,861
-	614,292
105,550	1,166,652
-	193,138
-	153,859
7,206	1,582,437
<u>4,225,320</u>	<u>55,520,387</u>
5,350	5,152,121
1,085,502	12,786,971
118,712	1,862,671
-	552,483
-	10,348,294
-	1,060,025
-	580,251
-	402,593
-	557,826
134,732	502,190
436,214	1,027,376
-	319,892
-	33,430,183
-	534,314
<u>1,780,510</u>	<u>69,117,190</u>
<u>2,444,810</u>	<u>(13,596,803)</u>
71,400	2,526,271
(18,637)	(454,937)
-	32,535,000
-	840,000
-	1,805,513
-	(909,000)
-	29,080
<u>52,763</u>	<u>36,371,927</u>
2,497,573	22,775,124
<u>2,424,255</u>	<u>20,504,370</u>
<u>\$ 4,921,828</u>	<u>\$ 43,279,494</u>

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 year ended September 30, 2019

Net change in fund balances - total governmental funds \$ 22,775,124

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	\$ 35,837,467	
Less current year depreciation	(3,387,557)	
Net book value of disposed assets	<u>(46,465)</u>	32,403,445

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. 688,838

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.

Reductions to long-term debt	985,862	
Debt Issuance	(35,174,165)	
Interest paid to escrow agent for advance refunding	(6,348)	
Principal payments	<u>1,060,025</u>	(33,134,626)

The net effect of pension contribution expense is to decrease net position. (205,656)

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	(74,206)	
Change in accrued interest expense	<u>(739,372)</u>	(813,578)

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. 1,457,940

Change in net position of governmental activities \$ 23,171,487

The accompanying notes are an integral part of this statement.

City of Dunedin, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the year ended September 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
Taxes:				
Property	\$ 9,779,700	\$ 9,779,700	\$ 9,775,025	\$ (4,675)
Franchise	2,470,000	2,470,000	2,789,433	319,433
Utility service	4,296,500	4,296,500	4,589,508	293,008
Licenses and permits	209,300	209,300	533,171	323,871
Intergovernmental	4,511,700	4,511,700	5,246,668	734,968
Charges for services	6,326,400	6,326,400	6,159,824	(166,576)
Fines	898,400	898,400	614,292	(284,108)
Investment earnings	50,000	50,000	243,285	193,285
Rents	234,500	234,500	147,778	(86,722)
Contributions and donations	100,400	107,623	153,859	46,236
Other revenue	157,200	157,200	169,289	12,089
Total revenues	<u>29,034,100</u>	<u>29,041,323</u>	<u>30,422,132</u>	<u>1,380,809</u>
<u>EXPENDITURES</u>				
Current:				
General government	4,365,900	5,143,818	5,146,771	(2,953)
Public safety	11,590,800	11,590,800	11,701,469	(110,669)
Transportation	1,693,300	1,718,265	1,743,959	(25,694)
Culture and recreation	10,606,300	11,059,856	10,108,862	950,994
Capital outlay:				
General government	105,000	229,236	193,553	35,683
Public safety	247,000	247,000	49,666	197,334
Transportation	41,000	67,666	47,861	19,805
Culture and recreation	637,000	814,297	141,623	672,674
Aids and grants	416,000	516,000	490,595	25,405
Total expenditures	<u>29,702,300</u>	<u>31,386,938</u>	<u>29,624,359</u>	<u>1,762,579</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(668,200)</u>	<u>(2,345,615)</u>	<u>797,773</u>	<u>3,143,388</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	28,400	2,428,400	2,256,234	(172,166)
Transfers out	(150,000)	(156,500)	(156,500)	-
Sale of general capital assets	3,000	3,000	29,080	26,080
Total other financing uses	<u>(118,600)</u>	<u>2,274,900</u>	<u>2,128,814</u>	<u>(146,086)</u>
Net change in fund balances	<u>\$ (786,800)</u>	<u>\$ (70,715)</u>	2,926,587	<u>\$ 2,997,302</u>
Fund balances - beginning			<u>6,141,405</u>	
Fund balances - ending			<u>\$ 9,067,992</u>	

The accompanying notes are an integral part of this statement.

City of Dunedin, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Stadium Fund
For the year ended September 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental:				
Grants - state	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	-
Grants - local	16,100,000	16,100,000	11,617,231	(4,482,769)
Charges for Services	335,000	335,000	342,840	7,840
Investment earnings	-	-	701,552	701,552
Other revenue	1,438,600	1,438,600	1,386,123	(52,477)
Total revenues	<u>19,373,600</u>	<u>19,373,600</u>	<u>15,547,746</u>	<u>(3,825,854)</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	266,100	330,848	239,432	91,416
Debt service:				
Principal	1,286,200	1,286,200	402,025	884,175
Interest	1,626,300	1,626,300	458,691	1,167,609
Debt cost of issuance	674,450	674,450	372,019	302,431
Capital outlay:				
Culture and recreation	<u>39,431,900</u>	<u>39,431,900</u>	<u>32,929,209</u>	<u>6,502,691</u>
Total expenditures	<u>43,284,950</u>	<u>43,349,698</u>	<u>34,401,376</u>	<u>8,948,322</u>
over (under) expenditures	<u>(23,911,350)</u>	<u>(23,976,098)</u>	<u>(18,853,630)</u>	<u>5,122,468</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	150,000	680,000	180,000	(500,000)
Issuance of debt	33,681,200	33,681,200	32,535,000	(1,146,200)
Premium on debt issuance	-	-	1,703,987	1,703,987
Total other financing sources	<u>33,831,200</u>	<u>34,361,200</u>	<u>34,418,987</u>	<u>57,787</u>
Net change in fund balances	<u>\$ 9,919,850</u>	<u>\$ 10,385,102</u>	15,565,357	<u>\$ 5,180,255</u>
Fund balances - beginning			<u>5,857,457</u>	
Fund balances - ending			<u>\$ 21,422,814</u>	

The accompanying notes are an integral part of this statement.

City of Dunedin, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Penny Fund
For the year ended September 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental:				
Infrastructure surtax	\$ 3,790,000	\$ 3,790,000	\$ 4,141,748	\$ 351,748
Investment earnings	9,000	9,000	107,486	98,486
Total revenues	<u>3,799,000</u>	<u>3,799,000</u>	<u>4,249,234</u>	<u>450,234</u>
<u>EXPENDITURES</u>				
Debt service:				
Principal	658,200	1,567,200	658,000	909,200
Interest	125,000	131,348	121,560	9,788
Debt - cost of issuance	254,000	280,179	30,574	249,605
Capital outlay:				
General government	12,700,000	14,179,398	364,273	13,815,125
Public safety	1,645,400	1,733,159	317,792	1,415,367
Transportation	690,000	1,374,790	543,301	831,489
Culture and recreation	90,000	503,659	359,351	144,308
Total expenditures	<u>16,162,600</u>	<u>19,769,733</u>	<u>2,394,851</u>	<u>17,374,882</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,363,600)</u>	<u>(15,970,733)</u>	<u>1,854,383</u>	<u>17,825,116</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	309,200	309,200	18,637	(290,563)
Transfers out	(150,000)	(680,000)	(180,000)	500,000
Issuance of refunding bonds	12,700,000	13,641,527	840,000	(12,801,527)
Premium on debt issuance	-	-	101,526	101,526
Payment to refunded bonds escrow	-	-	(909,000)	(909,000)
Total other financing sources (uses)	<u>12,859,200</u>	<u>13,270,727</u>	<u>(128,837)</u>	<u>(13,399,564)</u>
Net change in fund balances	<u>\$ 495,600</u>	<u>\$ (2,700,006)</u>	<u>1,725,546</u>	<u>\$ 4,425,552</u>
Fund balances - beginning			<u>5,682,707</u>	
Fund balances - ending			<u>\$ 7,408,253</u>	

The accompanying notes are an integral part of this statement.

City of Dunedin, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Community Redevelopment Agency
For the year ended September 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Property	\$ 903,400	\$ 903,400	\$ 901,997	\$ (1,403)
Intergovernmental	100,000	100,000	100,000	-
Investment earnings	1,200	1,200	8,779	7,579
Rents	39,200	39,200	45,360	6,160
Other revenue	-	-	19,819	19,819
Total revenues	<u>1,043,800</u>	<u>1,043,800</u>	<u>1,075,955</u>	<u>32,155</u>
<u>EXPENDITURES</u>				
Current:				
Economic environment	478,500	495,116	552,483	(57,367)
Capital outlay:				
Economic environment	230,000	560,636	319,892	240,744
Aids and grants	154,400	154,400	43,719	110,681
Total expenditures	<u>862,900</u>	<u>1,210,152</u>	<u>916,094</u>	<u>294,058</u>
Excess (deficiency) of revenues over (under) expenditures	<u>180,900</u>	<u>(166,352)</u>	<u>159,861</u>	<u>326,213</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(126,300)</u>	<u>(126,300)</u>	<u>(99,800)</u>	<u>26,500</u>
Total other financing sources (uses)	<u>(126,300)</u>	<u>(126,300)</u>	<u>(99,800)</u>	<u>26,500</u>
Net change in fund balances	<u>\$ 54,600</u>	<u>\$ (292,652)</u>	<u>60,061</u>	<u>\$ 352,713</u>
Fund balances - beginning			<u>398,546</u>	
Fund balances - ending			<u>\$ 458,607</u>	

The accompanying notes are an integral part of this statement.

DUNEDIN

Home of Honeymoon Island

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City of Dunedin, Florida
Statement of Fund Net Position
Proprietary Funds
September 30, 2019

	Business-type Activities - Enterprise Funds			
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina
ASSETS				
Current assets:				
Cash, cash equivalents, and investments	\$ 866,587	\$ 19,199,044	\$ 6,059,470	\$ 1,430,013
Restricted cash-customer deposits	132,670	1,392,114	350	74,126
Receivables-net of allowance for uncollectibles	658,928	1,856,869	451,889	32,340
Interest receivable	3,409	86,128	27,020	6,874
Charges receivable-capital recovery	-	196,305	-	-
Due from other governments	12,082	134,463	4,251	-
Inventories	-	398,023	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Total current assets	<u>1,673,676</u>	<u>23,262,946</u>	<u>6,542,980</u>	<u>1,543,353</u>
Noncurrent assets:				
Charges receivable-capital recovery	-	1,101,932	-	-
Capital assets:				
Land	-	398,676	250,000	-
Buildings	482,009	16,008,829	10,815	123,301
Improvements other than buildings	49,543	110,320,275	32,011,510	3,437,234
Machinery and equipment	3,272,073	2,016,017	908,790	11,600
Less accumulated depreciation	(2,142,092)	(100,640,345)	(13,899,565)	(2,278,628)
Construction in progress	-	7,588,690	-	118,427
Total capital assets, net	<u>1,661,533</u>	<u>35,692,142</u>	<u>19,281,550</u>	<u>1,411,934</u>
Total noncurrent assets	<u>1,661,533</u>	<u>36,794,074</u>	<u>19,281,550</u>	<u>1,411,934</u>
Total assets	<u>3,335,209</u>	<u>60,057,020</u>	<u>25,824,530</u>	<u>2,955,287</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions and OPEB	111,395	403,758	56,087	2,067
Total deferred outflows of resources	<u>111,395</u>	<u>403,758</u>	<u>56,087</u>	<u>2,067</u>
Total assets and deferred outflows of resources	<u>3,446,604</u>	<u>60,460,778</u>	<u>25,880,617</u>	<u>2,957,354</u>

The accompanying notes are an integral part of this statement.

		Governmental Activities - Internal Service Funds	
Parking	Total		
\$ -	\$ 27,555,114	\$ 11,045,221	
-	1,599,260	-	
-	3,000,026	9,500	
-	123,431	48,436	
-	196,305	-	
-	150,796	-	
-	398,023	120,981	
-	-	16,307	
-	-	143,809	
-	<u>33,022,955</u>	<u>11,384,254</u>	
-	1,101,932	-	
-	648,676	-	
-	16,624,954	1,866,164	
-	145,818,562	4,744	
-	6,208,480	15,798,912	
-	(118,960,630)	(10,294,156)	
-	7,707,117	-	
-	<u>58,047,159</u>	<u>7,375,664</u>	
-	<u>59,149,091</u>	<u>7,375,664</u>	
-	<u>92,172,046</u>	<u>18,759,918</u>	
-	573,307	18,816	
-	<u>573,307</u>	<u>18,816</u>	
-	<u>92,745,353</u>	<u>18,778,734</u>	

City of Dunedin, Florida
Statement of Fund Net Position
Proprietary Funds (Continued)
September 30, 2019

	Business-type Activities - Enterprise Funds			
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 320,797	\$ 3,482,629	\$ 250,984	\$ 11,019
Accrued liabilities	-	-	-	2,504
Contracts payable	-	331,982	213,930	8,217
Accrued salaries payable	25,229	121,277	15,718	2,988
Accrued interest payable	6,541	214,084	203,139	-
Customer deposit payable-restricted asset	132,670	1,392,114	350	74,126
Bonds payable	-	1,126,931	499,798	-
Capital leases payable	177,722	-	-	-
Compensated absences	134,172	517,288	55,958	10,050
Claims payable	-	-	-	-
Unearned revenue	1,141	-	-	-
Total current liabilities	<u>798,272</u>	<u>7,186,305</u>	<u>1,239,877</u>	<u>108,904</u>
Noncurrent liabilities:				
Bonds payable	-	10,637,297	10,697,670	-
Notes payable	-	3,272,964	-	-
Capital leases payable	298,188	-	-	-
Compensated absences	45,394	175,012	18,932	3,400
Other post employment benefit liability	103,449	427,533	71,243	11,712
Pension liability	320,572	1,109,535	145,750	-
Claims payable	-	-	-	-
Total noncurrent liabilities	<u>767,603</u>	<u>15,622,341</u>	<u>10,933,595</u>	<u>15,112</u>
Total liabilities	<u>1,565,875</u>	<u>22,808,646</u>	<u>12,173,472</u>	<u>124,016</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions and OPEB	90,183	349,568	40,186	628
Total deferred inflows of resources	<u>90,183</u>	<u>349,568</u>	<u>40,186</u>	<u>628</u>
Total liabilities and deferred inflows of resources	<u>1,656,058</u>	<u>23,158,214</u>	<u>12,213,658</u>	<u>124,644</u>
NET POSITION				
Net investment in capital assets	1,185,623	23,927,914	8,084,082	1,411,934
Unrestricted	604,923	13,374,650	5,582,877	1,420,776
Total net position	<u>\$ 1,790,546</u>	<u>\$ 37,302,564</u>	<u>\$ 13,666,959</u>	<u>\$ 2,832,710</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Net position of business-type activities

The accompanying notes are an integral part of this statement.

		Governmental Activities - Internal Service Funds
Parking	Total	
\$ -	\$ 4,065,429	\$ 195,208
-	2,504	-
-	554,129	-
-	165,212	42,406
-	423,764	3,088
-	1,599,260	-
-	1,626,729	-
-	177,722	126,862
-	717,468	196,724
-	-	237,969
-	1,141	-
-	<u>9,333,358</u>	<u>802,257</u>
-	21,334,967	-
-	3,272,964	-
-	298,188	128,905
-	242,738	66,556
-	613,937	136,420
-	1,575,857	-
-	-	659,463
-	<u>27,338,651</u>	<u>991,344</u>
-	<u>36,672,009</u>	<u>1,793,601</u>
-	480,565	5,472
-	<u>480,565</u>	<u>5,472</u>
-	<u>37,152,574</u>	<u>1,799,073</u>
-	34,609,553	7,119,897
-	<u>20,983,226</u>	<u>9,859,764</u>
<u>\$ -</u>	<u>55,592,779</u>	<u>\$ 16,979,661</u>
	<u>4,802,443</u>	
	<u>\$ 60,395,222</u>	

City of Dunedin, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended September 30, 2019

	Business-type Activities - Enterprise Funds			
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina
Operating revenues:				
Charges for services	\$ 5,976,345	\$ 17,374,245	\$ 3,892,484	\$ 562,665
Other operating revenue	26,005	289,941	-	2,750
Total operating revenues	<u>6,002,350</u>	<u>17,664,186</u>	<u>3,892,484</u>	<u>565,415</u>
Operating expenses:				
Personal services	1,502,264	6,351,602	922,599	177,914
Supplies and services	3,866,569	6,889,050	1,465,999	175,200
Depreciation	371,141	3,374,389	1,567,599	68,590
Total operating expenses	<u>5,739,974</u>	<u>16,615,041</u>	<u>3,956,197</u>	<u>421,704</u>
Operating income (loss)	<u>262,376</u>	<u>1,049,145</u>	<u>(63,713)</u>	<u>143,711</u>
Nonoperating revenues (expenses):				
Intergovernmental	90,251	12,417	51,447	-
Investment earnings	18,749	589,143	140,313	32,740
Interest/amortization expense	(8,244)	(521,026)	(407,026)	-
Gain (loss) on disposal of capital assets	3,367	1,136	-	-
Total nonoperating revenues (expenses)	<u>104,123</u>	<u>81,670</u>	<u>(215,266)</u>	<u>32,740</u>
Income before contributions and transfers	366,499	1,130,815	(278,979)	176,451
Capital contributions	-	490,369		-
Transfers in	-	-	6,500	-
Transfers out	<u>(131,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	234,799	1,621,184	(272,479)	176,451
Net position - beginning	1,555,747	35,681,380	13,939,438	2,656,259
Net position - ending	<u>\$ 1,790,546</u>	<u>\$ 37,302,564</u>	<u>\$ 13,666,959</u>	<u>\$ 2,832,710</u>

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.

Change in net position of business-type activities

Parking	Total	Governmental Activities - Internal Service Funds
\$ -	\$ 27,805,739	\$ 12,217,984
24,000	342,696	60,349
24,000	28,148,435	12,278,333
(112)	8,954,267	2,207,976
401,769	12,798,587	7,661,158
-	5,381,719	1,114,971
401,657	27,134,573	10,984,105
(377,657)	1,013,862	1,294,228
-	154,115	-
11,265	792,210	204,397
-	(936,296)	(4,620)
(8,193)	(3,690)	221,769
3,072	6,339	421,546
(374,585)	1,020,201	1,715,774
-	490,369	-
-	6,500	281,700
(2,227,834)	(2,359,534)	-
(2,602,419)	(842,464)	1,997,474
2,602,419		14,982,187
\$ -		\$ 16,979,661

539,533
\$ (302,931)

City of Dunedin, Florida
Statement of Cash Flows
Proprietary Funds
For the year ended September 30, 2019

	Business-type Activities - Enterprise Funds						Governmental
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Parking	Total	Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 5,893,697	\$ 17,500,867	\$ 3,817,804	\$ 533,863	\$ 1,908,858	\$ 29,655,089	\$ 12,211,696
Payments to suppliers	(3,764,638)	(4,319,553)	(1,255,797)	(172,910)	(410,115)	(9,923,013)	(8,045,447)
Payments to employees	(1,460,739)	(6,311,801)	(903,410)	(177,455)	-	(8,853,405)	(2,160,066)
Other operating revenues	20,978	289,941	-	25,502	24,000	360,421	60,349
Net cash provided by (used in) operating activities	689,298	7,159,454	1,658,597	209,000	1,522,743	11,239,092	2,066,532
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in	-	-	6,500	-	-	6,500	281,700
Transfers out	(131,700)	-	-	-	(2,227,834)	(2,359,534)	-
Operating Grant	90,250	12,418	51,447	-	-	154,115	-
Net cash provided by (used in) noncapital financing activities	(41,450)	12,418	57,947	-	(2,227,834)	(2,198,919)	281,700
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from sale of capital assets	3,367	1,500	-	-	-	4,867	438,048
Purchase of capital assets	(255,532)	(6,607,242)	(278,077)	(62,391)	-	(7,203,242)	(2,948,330)
Proceeds from capital contributions	-	490,369	-	-	-	490,369	-
Proceeds of capital debt	191,584	3,272,964	-	-	-	3,464,548	-
Principal paid on capital debt	(138,793)	(1,085,353)	(483,376)	-	-	(1,707,522)	(124,852)
Interest paid on capital debt	(6,812)	(541,030)	(414,746)	-	-	(962,588)	(6,128)
Net cash provided by (used in) capital and related financing activities	(206,186)	(4,468,792)	(1,176,199)	(62,391)	-	(5,913,568)	(2,641,262)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment earnings received	17,226	573,567	134,717	31,323	18,575	775,408	206,706
Net cash provided by (used in) investing activities	17,226	573,567	134,717	31,323	18,575	775,408	206,706
Net increase (decrease) in cash and cash equivalents	458,888	3,276,647	675,062	177,932	(686,516)	3,902,013	(86,324)
Cash and cash equivalents - October 1	540,369	17,314,511	5,384,758	1,326,207	686,516	25,252,361	11,131,545
Cash and cash equivalents - September 30	\$ 999,257	\$ 20,591,158	\$ 6,059,820	\$ 1,504,139	\$ -	\$ 29,154,374	\$ 11,045,221
CLASSIFIED AS:							
Cash and cash equivalents	\$ 866,587	\$ 19,199,044	\$ 6,059,470	\$ 1,430,013	\$ -	\$ 27,555,114	\$ 11,045,221
Restricted cash and cash equivalents	132,670	1,392,114	350	74,126	-	1,599,260	-
Total cash and cash equivalents	\$ 999,257	\$ 20,591,158	\$ 6,059,820	\$ 1,504,139	\$ -	\$ 29,154,374	\$ 11,045,221
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 262,376	\$ 1,049,145	\$ (63,713)	\$ 143,711	\$ (377,657)	\$ 1,013,862	\$ 1,294,228
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	371,141	3,374,389	1,567,599	68,590	-	5,381,719	1,114,971
(Increase) decrease in:							
Accounts receivable	(78,971)	100,048	(70,578)	1,834	-	(47,667)	(6,289)
Due from other governments	(10,321)	425	(4,251)	-	-	(14,147)	-
Inventories	-	77,124	-	-	-	77,124	(40,813)
Prepaid items	-	-	-	-	1,908,858	1,908,858	50,740
Deposits	-	-	-	-	-	-	(51,455)
Deferred outflows	18,986	50,852	(772)	191	-	69,257	1,788
Increase (decrease) in:							
Accounts payable	101,932	2,492,374	210,202	2,291	(8,346)	2,798,453	(185,465)
Accrued wages payable	9,301	27,803	2,591	281	-	39,976	13,396
Customer deposits payable	1,617	26,150	150	(7,885)	-	20,032	-
Pension liability	22,357	57,513	9,845	-	-	89,715	-
Compensated absences / OPEB	12,173	(41,789)	7,444	(32)	(112)	(22,316)	32,555
Claims payable	-	-	-	-	-	-	(157,297)
Deferred Inflows	(21,293)	(54,580)	80	19	-	(75,774)	173
Total adjustments	426,922	6,110,309	1,722,310	65,289	1,900,400	10,225,230	772,304
Net cash provided by (used in) operating activities	\$ 689,298	\$ 7,159,454	\$ 1,658,597	\$ 209,000	\$ 1,522,743	\$ 11,239,092	\$ 2,066,532

The accompanying notes are an integral part of this statement.

Fiduciary Funds

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

Pension Trust

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

City of Dunedin, Florida
Statement of Changes in Net Position
Fiduciary Fund
For the year ended September 30, 2019

	Municipal Firefighters Pension Trust Fund
ADDITIONS:	
Contributions	
Employer	\$ 460,064
Plan members	257,941
Excise tax rebate (state of Florida)	312,939
Total contributions	<u>1,030,944</u>
Investment earnings	
Net appreciation in fair value of investments	275,766
Interest	210,554
Dividends	308,041
Total investment earnings	<u>794,361</u>
Less investment expenses	<u>(117,559)</u>
Net investment earnings	<u>676,802</u>
Miscellaneous revenue	<u>349</u>
Total additions	<u>1,708,095</u>
DEDUCTIONS:	
Benefits	1,383,874
Refunds	4,432
Administrative expenses	71,261
Total deductions	<u>1,459,567</u>
Change in net position	248,528
Net position - beginning	<u>29,532,137</u>
Net position - ending	<u><u>\$ 29,780,665</u></u>

The accompanying notes are an integral part of this statement.

DUNEDIN

Home of Honeymoon Island

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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 37,500 (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 City is a Florida municipal corporation with a five member City Commission comprised of the Mayor (elected at large) and four commissioners. The City's primary operations include providing emergency services, transportation, economic development, social and human services, culture and recreation, as well as water, utility and solid waste services.

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. 14, the City (i.e. the primary government) is financially accountable if it appoints a majority of the potential component unit's governing board, and (1) it is able to impose its will on the organization, or (2) there is a potential for the potential component unit to provide specific financial benefit to or impose specific financial burden on the City. Further, GASB Statement No. 61 amended Statement No. 14, providing that in order to report a component unit's financial activities as if they were essentially part of the primary government, then (1) the two entities must have a financial benefit or burden relationship, or (2) management of the primary government must have operational responsibility for the activities of the component unit. 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 (CRA) 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. The financial activity of the CRA is presented in this report as a major governmental special revenue fund of 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. 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.

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*.

Individual fund 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. All other funds (nonmajor) are combined according to their category, governmental or internal service, and are reported in a single column. Combining statements for nonmajor funds are found beginning on page 113 of this report.

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 basis of accounting refers to when revenues, expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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.

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial sources of the general government, except those required to be accounted for in another fund.
- The *Stadium Fund* is a special revenue fund to account for the receipt and disbursement of revenues from various recreational activities as mandated upon the issuance of Capital Improvement Recreation Certificates.
- The *Penny Fund* is a special revenue fund to account 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 City reports the following major proprietary funds:

- The *Solid Waste Fund* is an enterprise fund to account 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 to account 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 to account 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 to account 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. This Fund

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

is being eliminated as a separately reportable fund at the end of FY 2019. Activities associated with parking operations of the City will be accounted for as part of the General Fund beginning in FY 2020.

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 by one department 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 FUND BALANCE/NET POSITION

1. Cash, Cash Equivalents 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 United States, 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 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 Note 4.A.

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 "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 and business-type activities are reported in the government-wide 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 revenue and receivables for services delivered during the current fiscal year which will be billed during the next fiscal year. Unbilled revenue for utility services as of September 30, 2019 amounts to \$2,056,580.

3. Inventories

All City inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged to the expenditure 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 Water/Sewer 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. Inventories are equally offset by a fund balance reserve categorized as nonspendable, which indicates that they do not constitute "available spendable resources" even though they are a component of current assets.

4. 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 nonspendable, which indicates that they do not constitute "available spendable resources" even though they are a component of current assets.

5. 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:

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

6. 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.

7. Accumulated Unused Compensated Absences

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

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

8. Long-term Obligations

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

9. Postemployment Health and Life Insurance Benefits

The City makes available healthcare insurance for eligible retirees through the City's group health insurance plan, which covers both active and retired members. Retirees pay the full cost of healthcare insurance, which is a single, blended premium rate that is used for both active employees and retired members. The City follows the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" by recognizing annual Other Postemployment Benefits (OPEB) expense and related obligations.

10. Restricted Assets

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

11. Unearned Revenue

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.

12. 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.

13. 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.

14. 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.

15. 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. 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.

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, 2019, was 4.1345.

2. 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.

3. 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.

4. 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, 2019, are presented on the following page.

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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Fund	Amount
Building	\$ 63,100
Solid Waste	462,400
Water/ Sewer Utility	1,389,000
Marina	42,500
Stormwater	310,400
Total	\$ 2,267,400

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

Fund	Amount
Solid Waste	\$ 83,800
Stormwater	56,200
Total	\$ 140,000

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

NOTE 3 – 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, 2019, there were no new funds established. The Parking Fund is being eliminated effective September 30, 2019, with all future parking activities accounted for in the General Fund.

NOTE 4 – 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.

The City's investment policy and guidelines are defined by City ordinance. The written investment policy was revised, by City Commission approval, on July 23, 2019. 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.

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

As of September 30, 2019, the bank balance of the City's deposits was \$7,106,295. 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 (Salem Trust Company) 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.

As of September 30, 2019, 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 Salem Trust Company 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 invests in Barings Core Property Fund, which is an alternative real estate investment vehicle. The real estate 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. Treasuries
- U.S. Agencies and 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)
- Money Market Savings Account
- Bank Deposits / Certificates of Deposit
- Corporate Debt Instruments and Commercial Paper (AA-/Aa3)
- Repurchase Agreements (A1+/P1/F1+)

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

The City's cash and cash equivalents and investments consisted of the following as of September 30, 2019:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard & Poor's Rating</u>	<u>% of Total</u>	<u>Weighted Average Maturity</u>	<u>Hierarchy Level</u>
Florida Fixed Income Trust	\$ 20,411,317	AAAf	24.26%	106 Days	n/a
Florida SAFE	18,159,610	AAAm	21.58%	35 Days	n/a
US Government Agencies	5,004,600	AA+	5.95%	611 Days	2
Florida CLASS	14,551,339	AAAm	17.29%	81 Days	n/a
SBA - Florida PRIME	2,349,507	AAAm	2.79%	37 Days	n/a
Certificate of Deposits	9,089,780		10.80%	406 Days	n/a
Treasury Notes	6,014,206		7.15%	442 Days	1
Cash in bank	8,552,229		10.18%		n/a
Petty cash	3,880		0.00%		n/a
Total Cash and Investments	<u>\$ 84,136,468</u>				

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 & Poor's Rating</u>	<u>% of Total</u>	<u>Effective Duration (In Years)</u>	<u>Hierarchy Level</u>
U.S. Government Obligations	\$ 1,519,949	AA	5.10%	6.2	1
U.S. Government Agencies	3,016,910	AA	10.13%	4.1	2
Corporate Obligations	1,783,380	BAA-A	5.99%	7.8	2
Temporary Investment Funds	598,171	AAA	2.01%	Daily	2
Domestic Stocks	18,694,703		62.79%		1
International Stocks	1,114,356		3.74%		1
Real Estate Investment Fund	3,047,509		10.24%		n/a
Total Pension Funds	<u>\$ 29,774,978</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 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. Treasuries – 95%
- U.S. Agencies and Government Sponsored Enterprises – 40%
- Local Government Investment Pools – 75%
- 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 – 50%
- Money Market Savings Account – 40%
- Certificates of Deposit – 40%
- Corporate Debt Instruments and Commercial Paper – 10%, 40%
- 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, 2019.

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.

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

The Firefighters Pension Plan’s investment policy limits the effective duration of its fixed income portfolios through the adoption of the Barclays Capital Aggregate Bond Index benchmark. The U.S. Government obligations had an effective duration of 6.2 years; the U.S. Government agencies had an effective duration of 4.1 years, and corporate obligations had an effective duration of 7.8 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 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. The principal amount outstanding on the note receivable as of September 30, 2019 is \$375,305.

b. Receivables

Receivables as of the fiscal year ended September 30, 2019, for the City's major governmental and enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Stadium	Penny	CRA ¹	Solid Waste	Water/ Sewer Utility	Storm- water Utility	Marina	Total
Receivables:									
Accounts Billed	\$ 713,366	\$ -	\$ -	\$ 615	\$216,830	\$ 594,018	\$128,978	\$ 32,340	\$1,686,147
Accounts Unbilled	-	-	-	-	442,518	1,287,806	326,256	-	2,056,580
Liens	-	-	-	-	10,488	3,435	1,845	-	15,768
Reclaimed									
Connection Fees	-	-	-	-	-	196,305	-	-	196,305
Interest	49,013	10,436	26,014	2,106	3,409	86,128	27,020	6,874	211,000
Gross Receivables	762,379	10,436	26,014	2,721	673,245	2,167,692	484,099	39,214	4,165,800
Less: Allowance for									
Uncollectibles	787	-	-	-	10,908	28,390	5,190	-	45,275
Net Total Receivables	<u>\$ 761,592</u>	<u>\$10,436</u>	<u>\$ 26,014</u>	<u>\$2,721</u>	<u>\$662,337</u>	<u>\$ 2,139,302</u>	<u>\$478,909</u>	<u>\$ 39,214</u>	<u>\$4,120,525</u>

¹ Community Redevelopment Agency (CRA)

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate current period liabilities.

3. Capital Assets

a. Capital Asset Activity

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 22,098,852	\$ 282,114	\$ -	\$ 22,380,966
Construction in Process	1,374,814	34,052,112	(357,664)	35,069,262
Total Capital not being Depreciated	<u>23,473,666</u>	<u>34,334,226</u>	<u>(357,664)</u>	<u>57,450,228</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	47,074,203	28,967	-	47,103,170
Infrastructure	12,207,638	1,069,991	-	13,277,629
Improvements other than Buildings	31,112,188	79,153	(2,894)	31,188,447
Machinery and Equipment	22,708,161	3,631,123	(1,898,908)	24,440,376
Total Capital Assets being Depreciated	<u>113,102,190</u>	<u>4,809,234</u>	<u>(1,901,802)</u>	<u>116,009,622</u>
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(24,644,836)	(1,464,859)	-	(26,109,695)
Infrastructure	(3,758,519)	(418,433)	-	(4,176,952)
Improvements other than Buildings	(20,977,171)	(1,250,451)	2,412	(22,225,210)
Machinery and Equipment	(16,142,175)	(1,368,785)	1,636,649	(15,874,311)
Total Accumulated Depreciation	<u>(65,522,701)</u>	<u>(4,502,528)</u>	<u>1,639,061</u>	<u>(68,386,168)</u>
Total Capital Assets being Depreciated, net	<u>47,579,489</u>	<u>306,706</u>	<u>(262,741)</u>	<u>47,623,454</u>
Governmental Activities Capital Assets, net	<u>\$ 71,053,155</u>	<u>\$ 34,640,932</u>	<u>\$ (620,405)</u>	<u>\$ 105,073,682</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 648,676	\$ -	\$ -	\$ 648,676
Construction in Process	<u>2,847,389</u>	<u>4,866,772</u>	<u>(7,044)</u>	<u>7,707,117</u>
Total Capital not being Depreciated	<u>3,496,065</u>	<u>4,866,772</u>	<u>(7,044)</u>	<u>8,355,793</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	16,569,709	55,245	-	16,624,954
Improvements other than Buildings	143,992,039	1,826,523	-	145,818,562
Machinery and Equipment	<u>5,884,857</u>	<u>461,746</u>	<u>(138,123)</u>	<u>6,208,480</u>
Total Capital Assets being Depreciated	<u>166,446,605</u>	<u>2,343,514</u>	<u>(138,123)</u>	<u>168,651,996</u>
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(15,849,021)	(114,238)	-	(15,963,259)
Improvements other than Buildings	(94,274,351)	(4,752,842)	-	(99,027,193)
Machinery and Equipment	<u>(3,585,105)</u>	<u>(514,639)</u>	<u>129,566</u>	<u>(3,970,178)</u>
Total Accumulated Depreciation	<u>(113,708,477)</u>	<u>(5,381,719)</u>	<u>129,566</u>	<u>(118,960,630)</u>
Total Capital Assets being Depreciated, net	<u>52,738,128</u>	<u>(3,038,205)</u>	<u>(8,557)</u>	<u>49,691,366</u>
Business-type Activities Capital Assets, net	<u>\$ 56,234,193</u>	<u>\$ 1,828,567</u>	<u>\$ (15,601)</u>	<u>\$ 58,047,159</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

b. Depreciation

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

Governmental Activities:

General government	\$	465,450
Public safety		281,900
Transportation		614,703
Economic environment		368,473
Culture and recreation		1,657,031
Internal Service Funds		1,114,971
Total Depreciation Expense	\$	<u>4,502,528</u>

Business-type Activities:

Solid Waste	\$	371,141
Water/Sewer Utility		3,374,389
Stormwater Utility		1,567,599
Marina		68,590
Total Depreciation Expense	\$	<u>5,381,719</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

c. Construction Contracts

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

	<u>September 30, 2019</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	\$ 279,470
The City has contracted for the construction of a cart barn and pro shop at the Dunedin Golf Club.	715,000	315,229
The City has begun the design process for the construction of miscellaneous park improvements.	541,000	30,435
The City has contracted for the construction of improvements to the Toronto Blue Jays Spring Training Facilities.	104,100,000	33,746,992
The City contracted for the construction of an EOC/Fire Training Center.	3,850,000	317,792
The City contracted for design services required for the construction of a new City Hall.	3,650,000	364,272
The City contracted for design services for a Parks Maintenance facility.	75,400	15,072
Total Governmental Activities	<u>\$113,938,290</u>	<u>\$ 35,069,262</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

The City has entered into contracts for the construction of Business-type Activities assets as follows:

	<u>September 30, 2019</u>	
	<u>Estimated Project Amount</u>	<u>Construction in Progress</u>
<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	98,827
<u>Water/Sewer Utility Fund:</u>		
The City contracted for the construction of improvements required for the rehabilitation of the Reverse Osmosis Water Treatment Plant.	29,500,000	7,046,987
The City contracted for design services required for the upgrade of the Wastewater SCADA system.	970,000	79,116
The City contracted for the construction of improvements to various wastewater lift stations.	2,100,000	418,887
The City contracted for design services required for the replacement of the Garrison Road sewer line.	150,000	24,970
The City contracted for design services required for the replacement of the Bayshore Blvd. water main.	550,000	18,730
Total Enterprise Funds	<u>\$ 34,457,500</u>	<u>\$ 7,707,117</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

d. Other Significant Commitments

The government had active projects as of September 30, 2019. 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	\$ 68,439,667
Water Treatment Plant Design and Build	24,972,068
Design Services for New City Hall & Parking Garage	1,595,032
Wastewater Treatment Electrical System Upgrades	841,544
Lakewood Estates Drainage Improvements	768,443
Fleet Vehicle Commitments	436,253
City of Dunedin Storm Line Improvements	369,613
Stormwater Master Plan Update	272,999
	<u>\$ 97,695,619</u>

The remaining commitment amounts were encumbered at fiscal yearend.

4. Interfund Transfers, Receivables and Payables

a. Interfund Transfers

<u>Transfers Out:</u>	<u>Transfers In:</u>						<u>Total</u>
	<u>General</u>	<u>Stadium</u>	<u>Penny</u>	<u>Nonmajor</u>		<u>Internal</u>	
				<u>Government</u>	<u>Stormwater</u>	<u>Service</u>	
General	\$ -	\$ 150,000	\$ -	\$ -	\$ 6,500	\$ -	\$ 156,500
Penny	-	30,000	-	-	-	150,000	180,000
CRA	28,400	-	-	71,400	-	-	99,800
Nonmajor							
Governmental	-	-	18,637	-	-	-	18,637
Solid Waste	-	-	-	-	-	131,700	131,700
Parking	2,227,834	-	-	-	-	-	2,227,834
Total Transfers	<u>\$ 2,256,234</u>	<u>\$ 180,000</u>	<u>\$ 18,637</u>	<u>\$ 71,400</u>	<u>\$ 6,500</u>	<u>\$ 281,700</u>	<u>\$ 2,814,471</u>

The General Fund transferred \$150,000 to the Stadium Fund to support annual operations and maintenance needs.

The Penny Fund transferred \$150,000 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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

community redevelopment district. In addition, the CRA transferred \$71,400 to the Impact Fee Fund for Economic Incentives associated with the Victoria Place Development (\$66,000) and the Gramercy Court Phase I Project (\$5,400).

The Impact Fee Fund transferred \$18,637 to the Penny Fund to pay back the final portion of a FY2016 interfund loan to purchase vacant land adjacent to Hammock Park.

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

The Parking Fund transferred \$2,227,884 to the General Fund to close out the Fund as a reportable Enterprise Fund. Activity associated with parking operations will be accounted for in the General Fund beginning in FY 2020.

b. Interfund Receivables and Payables

<u>Due From Other Funds / Receivable</u>		<u>Due To Other Funds / Payable</u>	
<u>Fund</u>	<u>Amount</u>	<u>Fund</u>	<u>Amount</u>
N/A	\$ -	N/A	\$ -

At September 30, 2019 the City had no amounts due from / to other funds.

<u>Advances To Other Funds / Receivable</u>		<u>Advances From Other Funds / Payable</u>	
<u>Fund</u>	<u>Amount</u>	<u>Fund</u>	<u>Amount</u>
Penny	\$ 500,000	Stadium	\$ 500,000

The amount payable to the Penny Fund from the Stadium Fund relates to architectural enhancements to be made at the Toronto Blue Jays Stadium. None of the outstanding balance is scheduled to be collected in FY 2020.

B. LONG-TERM DEBT

The following presents the long-term debt during the fiscal year ended September 30, 2019:

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 \$276,586.

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

On July 12, 2019, the City entered into a lease-purchase agreement to finance \$191,584 for a grapple truck to be used by the Solid Waste operations. This five-year capital lease has a 2.16% interest rate and provides for annual payments of \$40,838.

The future minimum lease obligations and the net present value of these minimum lease payments at September 30, 2019, were as follows:

Fiscal Year	Annual Payments
2020	\$ 317,424
2021	317,424
2022	40,838
2023	40,838
2024	40,838
Total Minimum Lease Payments	757,362
Less: Amount Representing Interest	25,685
Present Value of Minimum Lease Payments	<u>\$ 731,677</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 No. 01-14, Stadium and Recreation Facilities Financing Amendment, a resolution which amended Resolution No. 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 spring training facilities

On November 9, 2012 the remaining principal of Series 2001B and 2001C were refunded by Non-Ad Valorem Refunding Revenue Note, (Spring Training Facility), Series 2012A in the amount \$510,000 and 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 the Series 2001B debt. Series 2012B was issued to pay principal and interest on the Series 2001C debt. Final payments were made on both Series 2012A and 2012B on April 5, 2016.

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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

The term, interest rate and monthly payments are as follows:

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, 2019	\$	<u>649,103</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 Resolution Nos. 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. 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, 2019	\$	<u>4,390,000</u>

c. Spring Training Facility, State Sales Tax Revenue Bonds, Series 2018; Spring Training Facility, Taxable Non-Ad Valorem Revenue Bonds, Series 2018A; and Fire Station Project, Non-Ad Valorem Refunding Revenue Bonds, Series 2018B

On December 13, 2018, pursuant to Resolution Nos. 18-28, 18-29 and 18-30, the City issued \$12,310,000 of State Sales Tax Payments Revenue Bonds, Series 2018; and \$20,225,000 of Taxable Non-Ad Valorem Revenue Bonds, Series 2018A. The purpose of the borrowings was to fund a portion of the cost of the design, construction, renovation, expansion, improvement, and equipping of the spring training facilities utilized by the Toronto Blue Jays, a Major League Baseball team. The Series 2018 and Series 2018A bonds are 20 and 25 year bonds, respectively.

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

The debt service on the Series 2018 bonds is payable solely from sales tax payments distributable to the City from the State of Florida, pursuant to sections 288.11631 and 212.20(6) (d)6.e., Florida Statutes. The bonds were sold to Bank of America Merrill Lynch, the bond underwriter. Funds are directly remitted monthly from the State to the bond paying agent pursuant to an agreement between City and the State of Florida Department of Economic Opportunity for paying the scheduled debt service. The Series 2018A bonds are secured by a pledge of and are payable solely and secured by non-ad valorem revenues budgeted and appropriated by the City.

Pursuant to Resolution No. 18-28, the City issued, on December 13, 2018, \$840,000 of Non-Ad Valorem Refunding Revenue Bonds, Series 2018B, for the purpose of refinancing the City's outstanding debt associated with the Non-Ad Valorem Note, Series 2013, authorized by Resolution No. 13-49. The outstanding principal on the Series 2013 Note was \$909,000 at the time of the refunding. The Series 2018B bonds are 10 year bonds, issued at a premium of \$101,526. The original Series 2013 debt was in the amount of \$1,280,000, with the funds being borrowed for the purpose of partially funding the construction of Fire Station No. 61.

The terms, interest rates and payments are as follows:

	<u>Series 2018</u>
Original Amount Issued	\$ 12,310,000
Final Maturity	October 1, 2038
Interest Rates	5.00%
Annual Payments Range	<u>\$ 864,000 - 988,000</u>
Amount Outstanding at September 30, 2019	<u>\$ 12,310,000</u>
	<u>Series 2018A</u>
Original Amount Issued	\$ 20,225,000
Final Maturity	October 1, 2043
Interest Rates	2.99% - 4.75%
Annual Payments Range	<u>\$ 1,321,000 - 1,520,000</u>
Amount Outstanding at September 30, 2019	<u>\$ 20,225,000</u>
	<u>Series 2018B</u>
Original Amount Issued	\$ 840,000
Final Maturity	October 1, 2028
Interest Rates	5.00%
Annual Payments Range	<u>\$ 103,000 - 110,000</u>
Amount Outstanding at September 30, 2019	<u>\$ 840,000</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 several outstanding debt issues, including the 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>\$ 1,564,000 - 1,579,000</u>
Amount Outstanding at September 30, 2019	<u>\$ 12,055,000</u>

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:

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Original Amount Issued	\$	5,876,000
Final Maturity		October 1, 2032
Interest Rate		3.695%
Annual Payments Range	\$	<u>395,000 - 425,000</u>
Amount Outstanding at September 30, 2019	\$	<u>4,507,000</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 Resolution Nos. 12-18 and 14-36. 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 financing costs.

The term, interest rate and payments are as follows:

Original Amount Issued	\$	6,120,000
Final Maturity		October 1, 2044
Interest Rate		2.375% - 4.000%
Annual Payments Range	\$	<u>335,000 - 342,000</u>
Amount Outstanding at September 30, 2019	\$	<u>5,625,000</u>

g. Pledged Revenue Disclosures

The City has pledged a portion of future non ad valorem revenues for the repayment of the Spring Training Facility Note and Revenue Bonds, and the Fire Station Project Refunding Revenue Bonds. Future State and County revenues were also pledged for the repayment of the Spring Training Facility Note and Bonds. For the current year, interest paid towards the Fire Station Bonds amounted to \$12,600. The initial principal payment is due in FY 2020. During the current year, principal and interest paid towards the Spring Training Facility Note and Bonds totaled \$860,716. Legally available non ad valorem revenues were \$7,790,615 while payments from the State and County totaled \$500,004 and \$11,617,231, respectively.

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 \$671,728 were paid in the current year and half cent sales tax revenues were \$2,410,633.

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 \$1,454,648 and \$5,004,927 respectively. Principal and interest payments paid for the current year and net revenue for the stormwater utility were \$119,714 and \$1,644,199 respectively.

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 \$767,165 and total gross revenues were \$4,032,797.

h. Debt Service Requirements

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

Year	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	All Funds
2020	\$ 2,105,012	\$ 1,600,662	\$ 1,715,723	\$ 812,731	\$ 6,234,128
2021	1,939,858	1,543,428	1,771,786	749,301	6,004,373
2022	1,625,000	1,487,565	1,687,299	683,647	5,483,511
2023	1,675,000	1,432,708	1,752,128	611,544	5,471,380
2024	1,730,000	1,375,597	1,831,974	530,424	5,467,995
2025-2029	7,540,000	5,974,690	8,368,000	1,679,597	23,562,287
2030-2034	7,145,000	4,445,556	2,496,000	789,116	14,875,672
2035-2039	9,005,000	2,534,112	1,230,000	458,350	13,227,462
2040-2044	5,905,000	726,869	1,480,000	204,750	8,316,619
2045	-	-	330,000	6,188	336,188
Total	\$ 38,669,870	\$ 21,121,187	\$ 22,662,910	\$ 6,525,648	\$ 88,979,615

i. State Revolving Fund Note Payable, DW520260

In March, 2019, the City approved a loan agreement with the State of Florida for State Revolving Funds (SRF). The purpose of this type of funding is to provide low-interest loans to plan, design and build water and sanitation infrastructure. The City is utilizing this funding to construct a reverse osmosis water treatment plant.

This type of loan is structured as a cost reimbursement agreement. Eligible expenses are submitted for review and reimbursement to the State. These reimbursement payments, over time, become the principal amount of the loan. The City is eligible for funds up to \$28.3 million. The final amended principal amount will be subject to interest and service fees. The loan repayment will begin in FY 2023 and be paid semiannually.

The term, interest rate, and payments are as follows:

Original Amount	\$	3,180,024
Final Maturity		May 15, 2033
Interest Rates		1.84%
Annual Payments Range	\$	229,800
Amount Outstanding at September 30, 2019	\$	<u>3,272,964</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

3. Changes in Long-Term Liabilities

Long-term liability activities for the year ended September 30, 2019, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and notes payable	\$ 7,008,128	\$33,375,000	\$ (1,969,025)	\$ 38,414,103	\$1,978,150
Deferred amounts for:					
Unamortized premiums	-	1,805,513	(76,862)	1,728,651	102,482
Capital leases	380,619	-	(124,852)	255,767	126,862
Compensated absences	1,927,043	1,397,376	(1,391,900)	1,932,519	1,443,983
OPEB liability	1,114,297	140,614	(54,887)	1,200,024	-
Net pension liability	2,553,762	-	(567,119)	1,986,643	-
Claims	1,054,729	3,036,637	(3,193,934)	897,432	237,969
Governmental activity long-term liabilities	<u>\$ 14,038,578</u>	<u>\$39,755,140</u>	<u>\$ (7,378,579)</u>	<u>\$ 46,415,139</u>	<u>\$3,889,446</u>
Business-Type Activities:					
Bonds and notes payable	\$ 23,667,000	\$ 3,272,964	\$ (1,480,000)	\$ 25,459,964	\$1,538,000
Deferred amounts for:					
Unamortized premiums	863,425	-	(88,729)	774,696	88,729
Capital leases	423,119	191,584	(138,793)	475,910	177,722
Compensated absences	1,022,129	885,050	(946,973)	960,206	717,468
OPEB liability	574,331	64,962	(25,356)	613,937	-
Net pension liability	1,486,142	89,715	-	1,575,857	-
Business-type activity long-term liabilities	<u>\$ 28,036,146</u>	<u>\$ 4,504,275</u>	<u>\$ (2,679,851)</u>	<u>\$ 29,860,570</u>	<u>\$2,521,919</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, \$263,280 and \$136,420 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 5 – 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.

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; or at the Division's Web site (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.

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

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

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

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

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

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. The FRS requires a 3% contribution for members effective July 1, 2011. Governmental employers are required to make contributions based on statewide rates. The FRS establishes contributions based on the state fiscal year, which begins July 1st. For the period of October 1, 2018 to June 30, 2019, 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. For the period of July 1, 2019 to September 30, 2019, the contribution rates, by job class, were as

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

follows: regular employees 8.47%, senior management 25.41%, and DROP participants 14.60%. The City's contribution includes .06% for an administrative and educational fee. These fees do not apply to DROP participants. FRS also provides disability and survivors' benefits. Benefits are established by Florida State Statute. The contribution requirements of employers are established and may be amended by the Division of Retirement.

The City's contributions to the FRS Pension Plan (not including the 1.66 percent HIS Program Contributions or employee contributions) totaled \$247,859 for fiscal year ending September 30, 2019. Employee contributions totaled \$54,211 for the same period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2019 the City reported a liability of \$2,669,422 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 0.007751248%.

For the year ended September 30, 2019, the City recognized pension expense of \$340,608 for the FRS Pension Plan. At September 30, 2019 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
Differences between expected and actual experience	\$ 158,331	\$ 1,657
Changes of assumptions	685,623	-
Net difference between projected and actual earnings	-	147,686
Changes in City proportion	15,156	492,251
Subtotal	859,110	641,594
City contributions subsequent to the measurement date	68,289	-
Total	<u>\$ 927,399</u>	<u>\$ 641,594</u>

The deferred outflows of resources related to pensions totaling \$68,289 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, 2020. 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:

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Year ended September 30:	
2020	\$ 80,723
2021	(63,941)
2022	90,711
2023	86,603
2024	17,149
Thereafter*	6,271
	<u>\$ 217,516</u>

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

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, 2013 through June 30, 2018.

Valuation Date	June 30, 2019
Measurement date	June 30, 2019
Discount rate	6.90%
Investment rate of return	6.90%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	PUB-2010 base table with projection scale MP-2018
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 2019:

- The discount rate and long-term expected rate of return were both reduced by 0.10 percent from 7.00 percent to 6.90 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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 2019 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 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%	3.3%
Fixed Income	18.0%	4.1%
Global Equity	54.0%	8.0%
Real Estate	10.0%	6.7%
Private Equity	11.0%	11.2%
Strategic Investments	6.0%	5.9%
Total	100%	

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 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
City's proportionate share of the FRS Pension Plan net pension liability	\$ 4,614,542	\$ 2,669,422	\$ 1,044,918

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:

- 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, 2019, 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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

compensation for all active FRS members. For the fiscal year ended June 30, 2019, 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 \$44,094 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2019 the City reported a liability of \$893,078 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 0.007981751%.

For the year ended September 30, 2019, the City recognized pension expense of \$59,570 for the HIS Pension Plan. At September 30, 2019 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
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 10,847	\$ 1,094
Changes of assumptions	103,407	72,993
Net difference between projected and actual earnings	576	-
Changes in City proportion	<u> -</u>	<u>330,060</u>
Subtotal	114,830	404,147
City contributions subsequent to the measurement date	<u>11,717</u>	<u>-</u>
Total	<u><u>\$ 126,547</u></u>	<u><u>\$ 404,147</u></u>

The deferred outflows of resources related to pensions totaling \$11,717 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:

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Year ended September 30:

2020	\$ (78,319)
2021	(71,540)
2022	(56,203)
2023	(47,809)
2024	(26,039)
Thereafter*	<u>(9,407)</u>
	<u><u>\$(289,317)</u></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, 2019, 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.

The actuarial assumptions that determined the total pension liability of the HIS Pension Plan as of June 30, 2019, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Valuation Date	June 30, 2018
Measurement date	June 30, 2019
Discount rate	3.50%
Investment rate of return	N/A
Bond Buyer General 20-Bond Municipal Bond	3.50%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	PUB-2010 base table with projection scale MP-2018
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 decreased by .37% from 3.87% at June 30, 2018 to 3.50% at June 30, 2019 due to changes in the applicable municipal bond index.

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 3.50 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
City's proportionate share of the HIS Pension Plan net pension liability	\$ 1,019,494	\$ 893,078	\$ 787,788

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.

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Plan Membership in the Plan as of October 1, 2017:

Group	Number of Employees
Inactive plan members or beneficiaries currently receiving benefits	48
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	47
Total	97

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.

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,

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019 financial statements was measured as of September 30, 2018 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, 2019 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, 2018 and will agree to the Pension Plan's financial statements as of September 30, 2018.

Actuarial Assumptions – The total pension liability (asset) was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 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% Combined Healthy White Collar, Scale BB

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Healthy Combined 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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2018, 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	10.00%	4.50%
Total	100.00%	

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, 2018	\$ 27,617,626	\$ 26,900,084	\$ 717,542
Changes for the year:			
Service cost	818,157	-	818,157
Interest	2,087,665	-	2,087,665
Change in Excess State Money	(32,072)	-	(32,072)
Share Plan Allocation	14,179	-	14,179
Difference between actual & expected experience	28,595	-	28,595
Contributions - Employer	-	458,623	(458,623)
Contributions - Employer (through state)	-	301,956	(301,956)
Contributions - Employee	-	181,279	(181,279)
Contributions - Buy Back	-	-	-
Net investment income	-	2,899,009	(2,899,009)
Benefit Payments, Including Refunds of Employee Contributions	(1,136,362)	(1,136,362)	-
Administrative expense	-	(71,296)	71,296
Net changes	1,780,162	2,633,209	(853,047)
Balance at September 30, 2019	\$ 29,397,788	\$ 29,533,293	\$ (135,505)

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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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.

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, 2019.

	1% Decrease 6.50%	Rate 7.50%	1% Increase 8.50%
City's net pension liability (asset) \$	3,188,098	\$ (135,505)	\$ (2,924,013)

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, 2019, the City will recognize a pension expense of \$852,732. At September 30, 2019, 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	\$ 22,876	\$ 467,137
Changes of Assumptions	80,608	-
Net difference between projected and	508,911	678,591
actual earnings on Pension Plan	612,395	1,145,728
Employer and state contributions		
subsequent to the measurement date	773,002	-
Total	\$ 1,385,397	\$ 1,145,728

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, 2020. Deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Year ended September 30:

2020	\$ 116,404
2021	(286,210)
2022	(190,952)
2023	(172,575)
	<u>\$ (533,333)</u>

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 (Asset)	Deferred Outflow of Resources	Deferred Inflow of Resources	Pension Expense
FRS	\$ 2,669,422	\$ 927,399	\$ 641,594	\$ 340,608
HIS	893,078	126,547	404,147	59,570
Firefighters'	(135,505)	1,385,397	1,145,728	852,732
	<u>\$ 3,426,995</u>	<u>\$ 2,439,343</u>	<u>\$ 2,191,469</u>	<u>\$ 1,252,910</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 254 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, 2019, was \$19,557,046.34. The City's contributions were calculated using the participants' salary. The City's contributions to the Plan for the years ended September 30, 2019, 2018, and 2017 were \$1,067,440, \$1,010,105, and \$976,255, 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.

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 named storms). Other deductibles include 5% for Named Storm, subject to a minimum of \$500,000; \$100,000 for Flood damage, and \$350,000 of any employee work-related injuries (i.e. workers compensation claims). The City also self-insures all auto liability and general liability losses. Separate insurance policies are maintained for other purposes, such as Camp liability for Dunedin Recreation’s camps, Marina Operators Liability for the Dunedin Marina, Miscellaneous Medical Professional liability for the City’s emergency medical technicians, Public Officials liability for elected officials and committee members, and Storage Tank 3rd Party liability for fuel tank environmental pollution. Such coverages are fully insured and in most cases, subject to a deductible. All claims for 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 a minimum of \$3.5 million in reserves per Resolution No. 08-02 adopted on December 6, 2007.

The claims liability of \$720,778, reported in the Fund at September 30, 2019, 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, 2019, are as follows:

	Workers Compensation	Property and Liability	Total
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	537,547	277,934	815,481
Plus: Incurred claims and reserve adjustments	107,538	182,234	289,772
Less: Paid claims and reserve adjustments	<u>(180,593)</u>	<u>(203,882)</u>	<u>(384,475)</u>
Claims reserve, September 30, 2019	<u>\$ 464,492</u>	<u>\$ 256,286</u>	<u>\$ 720,778</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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.

Changes in the Fund's claims liability amount during the year ended September 30, 2019, are as follows:

	<u>Health Benefit Plan</u>
Claims reserve, October 1, 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	239,247
Plus: Incurred claims and reserve adjustments	2,904,161
Less: Paid claims and reserve adjustments	<u>(2,966,754)</u>
Claims reserve, September 30, 2019	<u>\$ 176,654</u>

C. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", established new accounting and reporting requirements for postretirement benefits (OPEB). The standard does not require funding of OPEB expense, but any difference between amounts 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 liability. The plan is 'pay as you go', therefore the full OPEB liability is recorded in the statements.

Plan Description and Funding Policy

The City of Dunedin has a single-employer defined benefit plan (OPEB) that covers eligible retirees and their dependents, who may 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 319 active employees and 6 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, 2019

Total OPEB Liability

The measurement date for the City’s OPEB liability is September 30, 2019, the same as the reporting date. The measurement period for the OPEB cost was October 1, 2018 to September 30, 2019. The components of the City’s OPEB liability at September 30, 2019, are as follows:

Total OPEB liability	\$ 1,813,961
OPEB Plan fiduciary net position	-
City's net OPEB liability	<u>\$ 1,813,961</u>
 OPEB Plan fiduciary net position as a percentage of total OPEB liability	 0.00%

Actuarial Assumptions - The total OPEB liability at September 30, 2019 was based on the actuarial valuation for the period October 1, 2018 to September 30, 2019. Significant methods and assumptions used for this valuation are as follows:

Inflation Rate	3.25%
Discount Rate	3.58%
Healthcare cost trend rate	4.50%

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, 2019 was 3.58%. The discount rate used to measure the total liability at September 30, 2018 was 4.15%. 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, 2019

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at September 30, 2018	\$ 1,688,628
<i>Changes for the Year:</i>	
Service cost	103,839
Interest	73,265
Changes in assumptions	16,382
Differences between expected and actual experience	(13,524)
Benefit payments	<u>(54,629)</u>
Net Changes	<u>125,333</u>
Balances at September 30, 2019	<u>\$ 1,813,961</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 3.58%, 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 (2.58%) or one percentage-point higher (4.58%) than the current discount rate:

	1% Decrease <u>2.58%</u>	Current Discount Rate <u>3.58%</u>	1% Increase <u>4.58%</u>
Total OPEB Liability	\$ 1,952,859	\$ 1,813,961	\$ 1,681,163

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 4.50%, 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 (3.50%) or one percentage-point higher (5.50%) than the current discount rate:

	1% Decrease <u>3.50%</u>	Current Healthcare Cost Trend Rate <u>4.50%</u>	1% Increase <u>5.50%</u>
Total OPEB Liability	\$ 1,606,928	\$ 1,813,961	\$ 2,057,379

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

OPEB Expense, Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB –
For the year ended September 30, 2019 the City recognized OPEB expense of \$205,576. At September 30, 2019, 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	\$ 235,362	\$ 12,023
Changes of assumptions	39,718	68,296
Total	<u>\$ 275,080</u>	<u>\$ 80,319</u>

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

Year ended September 30:	
2020	\$ 28,471
2021	28,471
2022	28,471
2023	28,471
2024	28,471
Thereafter*	52,406
	<u>\$ 194,761</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, 2019

NOTE 6 – FUND BALANCE REPORTING

Governmental fund balances reported on the fund financial statements at September 30, 2019, include the following:

	General Fund	Stadium Fund	Penny Fund	Community Redevelopment Agency	Other Governmental Funds	Total
Nonspendable:						
Inventory	\$ 3,694	\$ -	\$ -	\$ -	\$ -	\$ 3,694
Prepaid	1,842,047	-	-	-	-	1,842,047
Deposits	19,461	500	-	6,300	-	26,261
Advances	-	-	500,000	-	-	500,000
Restricted:						
Public Safety	61,067	-	-	-	-	61,067
Windlasses/DYSA	3,724	-	-	-	-	3,724
Adopt-a-Tree	-	-	-	-	-	-
Training - Building Dept	27,474	-	-	-	-	27,474
Bequests - Library	88,810	-	-	-	-	88,810
Bequests - Other	425	-	-	-	-	425
Housing	-	-	-	-	-	-
Stadium	-	21,422,314	-	-	-	21,422,314
Impact Fees	-	-	-	-	693,760	693,760
Building	-	-	-	-	3,358,816	3,358,816
County Gas Tax	-	-	-	-	869,252	869,252
Penny	-	-	6,908,253	-	-	6,908,253
Community Redevelopment Agency	-	-	-	452,307	-	452,307
Committed:						
G. Koutsourais	24,374	-	-	-	-	24,374
Cemetery	279,602	-	-	-	-	279,602
Tree Bank	511,030	-	-	-	-	511,030
Assigned:						
Parking Bank Subsequent year's	83,000	-	-	-	-	83,000
Operations	674,632	-	-	-	-	674,632
Unassigned	5,448,652	-	-	-	-	5,448,652
Total	\$ 9,067,992	\$ 21,422,814	\$ 7,408,253	\$ 458,607	\$ 4,921,828	\$43,279,494

Nonspendable 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.

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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.

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	\$ 350,232
Stadium Fund	68,454,009
Penny Fund	1,841,036
Community Redevelopment	1,660
Total Major funds	70,646,937
Other Governmental Funds	67,352
Total Encumbrances	<u>\$70,714,289</u>
 <u>Subsequent Year's Budget</u>	
General Fund	<u>\$ 324,400</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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

unless there are legal documents that prohibit doing this, such as grant agreements. For unrestricted fund balance amounts, committed would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

NOTE 7 – SUBSEQUENT EVENTS

On December 31, 2019, the first cases of what would become the COVID-19 virus were reported in China. Since then, the virus has spread across the globe and has been declared a global pandemic by the World Health Organization. The City continues to monitor the situation; however, the impact to the City, if any, cannot be determined at this time.

DUNEDIN

Home of Honeymoon Island

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF DUNEDIN, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2019**

**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 Payroll</u>	<u>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>
2019	0.007751248%	\$ 2,669,422	\$ 2,669,498	100.00%	82.61%
2018	0.007958517%	2,397,146	2,855,150	83.96%	84.26%
2017	0.009039450%	2,673,809	3,088,310	86.58%	83.89%
2016	0.010615074%	2,680,315	3,302,909	81.15%	84.88%
2015	0.012671046%	1,636,636	3,733,272	43.84%	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 Payroll</u>	<u>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>
2019	0.007981751%	\$ 893,078	\$ 2,669,498	33.45%	2.63%
2018	0.008741557%	925,216	2,855,150	32.41%	2.15%
2017	0.009688790%	1,035,980	3,088,310	33.55%	1.64%
2016	0.010699153%	1,246,942	3,302,909	37.75%	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, 2019**

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

Florida Retirement System (FRS) Defined Benefit Pension Plan

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions Related to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2019	\$ 240,345	\$ 240,345	\$ -	\$ 2,656,290	9.05%
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

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions Related to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2019	\$ 44,322	\$ 44,322	\$ -	\$ 2,656,290	1.67%
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, 2019**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Pension Liability (Asset)						
Service cost	\$ 818,157	\$ 856,749	\$ 818,555	\$ 795,653	\$ 793,320	\$ 736,260
Interest	2,087,665	1,969,652	1,946,348	1,800,848	1,685,549	1,586,064
Changes in excess state money	(32,072)	-	-	5,213	9,746	-
Share plan allocation	14,179	11,304	2,432	15,635	29,234	-
Changes of benefit terms	-	-	495,699	-	-	-
Differences between Expected & Actual Experience	28,595	(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>(1,136,362)</u>	<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>
Net Change in Total Pension Liability (Asset)	1,780,162	1,611,073	1,649,107	1,344,606	1,499,188	1,214,216
Total Pension Liability (Asset) - Beginning	<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>	<u>20,299,436</u>
Total Pension Liability (Asset) - Ending (a)	<u>\$ 29,397,788</u>	<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>
Plan Fiduciary Net Position						
Contributions - city	\$ 458,623	\$ 446,583	\$ 442,686	\$ 501,383	\$ 510,314	\$ 549,848
Contributions - state	301,956	298,122	286,293	303,898	322,030	314,996
Contributions - employee	181,279	180,673	186,769	178,122	176,623	172,605
Contributions - buy back	-	1,118	73,537	32,877	64,645	-
Net investment income	2,899,009	1,888,678	1,676,263	(353,976)	1,904,122	2,667,160
Benefit payments, including refunds of employee contributions	<u>(1,136,362)</u>	<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	(71,296)	(62,596)	(69,374)	(76,367)	(44,389)	(48,564)
Net Change in Plan Fiduciary Net Position	2,633,209	1,614,183	1,543,625	(505,448)	1,850,039	2,547,937
Plan Fiduciary Net Position - Beginning	<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>	<u>19,849,748</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 29,533,293</u>	<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>
City's Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (135,505)</u>	<u>\$ 717,542</u>	<u>\$ 2,331,725</u>	<u>\$ 2,264,277</u>	<u>\$ 109,722</u>	<u>\$ 615,155</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.46%	97.40%	91.56%	91.29%	99.55%	97.33%
Covered Payroll	\$ 3,295,962	\$ 3,284,952	\$ 3,395,812	\$ 3,288,615	\$ 3,211,327	\$ 3,138,275
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	-4.11%	21.84%	68.66%	68.85%	3.42%	19.60%

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 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, 2019

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, 2019**

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

Fiscal Year	Actuarially Determined Contribution	Contributions Related to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 746,882	\$ 750,586	\$ (3,704)	\$ 3,399,726	22.08%
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%

Notes to Contribution Schedule:

Valuation date: October 1, 2017*

*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

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, Scale BB; Disabled Females and Males. set forward 2 and 4 years respectively.

Termination Rates:	% of Active Members	
	Years of Service	Separating within Next Year
	0 to 5	5.0%
	6 to 7	4.0%
	8 to 9	0.0%

**CITY OF DUNEDIN, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2019**

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

Retirement Rates:	Years After 1st Eligibility for Normal Retirement	Probability of Normal Retirement
	0	20%
	1-4	10%
	5+	100%
	<i>The assumed rate of retirement is 2.0% for each year of eligibility for early retirement.</i>	

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: 1.32% per year for amortization of the Unfunded Actuarial Accrued Liability. This is in compliance with Part VII of Chapter 112, 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 and 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, 2019**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service cost	\$ 103,839	\$ 94,934	\$ 81,305
Interest	73,265	50,846	38,882
Changes in assumptions	16,382	(87,808)	37,732
Differences between expected and actual experience	(13,524)	297,485	5,975
Benefit payments	<u>(54,629)</u>	<u>(48,859)</u>	<u>(71,690)</u>
Net Change in Total OPEB liability	125,333	306,598	92,204
Total OPEB liability - beginning	<u>1,688,628</u>	<u>1,382,030</u>	<u>1,289,826</u>
Total OPEB liability - ending	<u><u>\$ 1,813,961</u></u>	<u><u>\$ 1,688,628</u></u>	<u><u>\$ 1,382,030</u></u>
Covered employee payroll	\$ 17,201,635	\$ 17,196,303	\$ 16,655,015
Total OPEB liability as a percentage of covered employee payroll	10.55%	9.82%	8.30%

Notes:

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 three years of information are available.

DUNEDIN

Home of Honeymoon Island

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**COMBINING AND OTHER SUPPLEMENTARY
INFORMATION SCHEDULES**

City of Dunedin
General Fund
Schedule of Expenditure Detail - Budget and Actual
For the year ended September 30, 2019

	Budget			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
GENERAL GOVERNMENT				
City commission				
Personnel services	\$ 116,700	\$ 116,700	\$ 130,367	\$ (13,667)
Supplies and services	161,600	162,200	135,828	26,372
Aids and grants	140,000	140,000	140,320	(320)
City commission total	418,300	418,900	406,515	12,385
City manager				
Personnel services	642,000	642,000	694,502	(52,502)
Supplies and services	108,900	177,100	162,885	14,215
City manager total	750,900	819,100	857,387	(38,287)
Legal				
Supplies and services	246,600	316,600	328,460	(11,860)
Legal total	246,600	316,600	328,460	(11,860)
City clerk				
Personnel services	332,100	302,000	262,610	39,390
Supplies and services	150,300	180,400	159,321	21,079
City clerk total	482,400	482,400	421,931	60,469
Finance				
Personnel services	838,800	838,800	774,652	64,148
Supplies and services	210,700	214,270	229,351	(15,081)
Finance total	1,049,500	1,053,070	1,004,003	49,067
Administration				
Personnel services	485,700	485,700	528,282	(42,582)
Supplies and services	224,300	236,300	203,369	32,931
Capital outlay	20,000	34,464	35,615	(1,151)
Administration total	730,000	756,464	767,266	(10,802)
Planning and development				
Personnel services	680,400	680,400	694,708	(14,308)
Supplies and services	476,900	480,448	427,615	52,833
Capital outlay	85,000	194,772	157,938	36,834
Aids and grants	256,000	356,000	330,321	25,679
Planning and development total	1,498,300	1,711,620	1,610,582	101,038
Non-departmental				
Supplies and services	(309,100)	310,900	414,821	(103,921)
Non-departmental total	(309,100)	310,900	414,821	(103,921)
PUBLIC SAFETY				
Law enforcement				
Supplies and services	4,328,900	4,328,900	4,360,538	(31,638)
Aids and grants	10,000	10,000	10,000	-
Law enforcement total	4,338,900	4,338,900	4,370,538	(31,638)
Fire				
Personnel services	4,525,400	4,525,400	4,661,573	(136,173)
Supplies and services	1,225,000	1,225,000	1,167,656	57,344
Capital outlay	247,000	247,000	49,666	197,334
Fire total	5,997,400	5,997,400	5,878,895	118,505

City of Dunedin
General Fund
Schedule of Expenditure Detail - Budget and Actual (Continued)
For the year ended September 30, 2019

	Budget		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
EMS				
Personnel services	1,280,600	1,280,600	1,308,498	(27,898)
Supplies and services	230,900	230,900	203,204	27,696
EMS total	1,511,500	1,511,500	1,511,702	(202)
TRANSPORTATION				
Streets / Traffic				
Personnel services	640,300	640,300	617,193	23,107
Supplies and services	1,053,000	1,077,965	1,126,766	(48,801)
Capital outlay	41,000	67,666	47,861	19,805
Streets / traffic total	1,734,300	1,785,931	1,791,820	(5,889)
CULTURE AND RECREATION				
Library				
Personnel services	1,547,000	1,547,000	1,539,250	7,750
Supplies and services	668,400	803,223	969,593	(166,370)
Capital outlay	208,300	210,710	3,984	206,726
Library total	2,423,700	2,560,933	2,512,827	48,106
Parks & Recreation admin				
Personnel services	554,100	554,100	590,903	(36,803)
Supplies and services	78,100	78,100	85,185	(7,085)
Parks & Recreation admin total	632,200	632,200	676,089	(43,889)
Recreation				
Personnel services	1,916,800	1,916,800	1,779,017	137,783
Supplies and services	2,810,700	3,025,442	2,101,608	923,834
Capital outlay	111,400	96,771	44,722	52,049
Recreation total	4,838,900	5,039,013	3,925,348	1,113,665
Parks				
Personnel services	1,728,500	1,728,500	1,677,514	50,986
Supplies and services	1,199,800	1,297,541	1,253,269	44,272
Capital outlay	317,300	506,816	92,917	413,899
Aids and grants	10,000	10,000	9,954	46
Parks total	3,255,600	3,542,857	3,033,655	509,202
Dunedin Historical Society				
Supplies and services	24,800	24,800	24,800	-
Dunedin Historical Society total	24,800	24,800	24,800	-
Dunedin Fine Arts Center				
Supplies and services	78,100	84,350	87,720	(3,370)
Dunedin Fine Arts Center total	78,100	84,350	87,720	(3,370)
Total expenditures	\$ 29,702,300	\$ 31,386,938	\$ 29,624,359	\$ 1,762,579

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

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 Special Revenue Funds
September 30, 2019

	<u>Impact</u> <u>Fee</u>	<u>Building</u>	<u>County</u> <u>Gas Tax</u>	<u>Total</u>
<u>ASSETS</u>				
Cash, cash equivalents, and investments	\$ 130,656	\$ 3,652,330	\$ 808,823	\$ 4,591,809
Receivables-net of allowance for uncollectibles	3,291	13,454	4,716	21,461
Due from other governments	682,633	-	81,438	764,071
Total assets	<u>\$ 816,580</u>	<u>\$ 3,665,784</u>	<u>\$ 894,977</u>	<u>\$ 5,377,341</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ 283,415	\$ 3,717	\$ 287,132
Contracts payable	-	-	22,008	22,008
Accrued salaries payable	-	14,203	-	14,203
Due to other governments	122,820	-	-	122,820
Other current liabilities	-	9,350	-	9,350
Total liabilities	<u>122,820</u>	<u>306,968</u>	<u>25,725</u>	<u>455,513</u>
<u>FUND BALANCES</u>				
Restricted	693,760	3,358,816	869,252	4,921,828
Unassigned	-	-	-	-
Total fund balances	<u>693,760</u>	<u>3,358,816</u>	<u>869,252</u>	<u>4,921,828</u>
Total liabilities and fund balances	<u>\$ 816,580</u>	<u>\$ 3,665,784</u>	<u>\$ 894,977</u>	<u>\$ 5,377,341</u>

City of Dunedin, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended September 30, 2019

	Impact Fee	Building	County Gas Tax	Total
<u>REVENUES</u>				
Intergovernmental	\$ 682,633	\$ -	\$ 497,357	\$ 1,179,990
Charges for services	-	2,552,713	-	2,552,713
Impact fees	379,861	-	-	379,861
Investment earnings	16,753	67,873	20,924	105,550
Other revenue	-	7,206	-	7,206
Total revenues	<u>1,079,247</u>	<u>2,627,792</u>	<u>518,281</u>	<u>4,225,320</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	5,350	5,350
Public safety	-	1,085,502	-	1,085,502
Transportation	-	-	118,712	118,712
Capital outlay:				
Public safety	-	134,732	-	134,732
Transportation	20,900	-	415,314	436,214
Total expenditures	<u>20,900</u>	<u>1,220,234</u>	<u>539,376</u>	<u>1,780,510</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,058,347</u>	<u>1,407,558</u>	<u>(21,095)</u>	<u>2,444,810</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	71,400	-	-	71,400
Transfers out	(18,637)	-	-	(18,637)
Total other financing sources (uses)	<u>52,763</u>	<u>-</u>	<u>-</u>	<u>52,763</u>
Net change in fund balances	1,111,110	1,407,558	(21,095)	2,497,573
Fund balances - beginning	<u>(417,350)</u>	<u>1,951,258</u>	<u>890,347</u>	<u>2,424,255</u>
Fund balances - ending	<u>\$ 693,760</u>	<u>\$ 3,358,816</u>	<u>\$ 869,252</u>	<u>\$ 4,921,828</u>

City of Dunedin, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Impact Fee Fund
For the year ended September 30, 2019

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ -	\$ 682,633	\$ 682,633
Impact fees	389,500	389,500	379,861	(9,639)
Investment earnings	700	700	16,753	16,053
Total revenues	<u>390,200</u>	<u>390,200</u>	<u>1,079,247</u>	<u>689,047</u>
<u>EXPENDITURES</u>				
Capital outlay:				
Transportation	<u>40,000</u>	<u>119,100</u>	<u>20,900</u>	<u>98,200</u>
Total expenditures	<u>40,000</u>	<u>119,100</u>	<u>20,900</u>	<u>98,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>350,200</u>	<u>271,100</u>	<u>1,058,347</u>	<u>787,247</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	97,900	97,900	71,400	(26,500)
Transfers out	<u>(309,200)</u>	<u>(309,200)</u>	<u>(18,637)</u>	<u>290,563</u>
Total other financing sources	<u>(211,300)</u>	<u>(211,300)</u>	<u>52,763</u>	<u>264,063</u>
Net change in fund balances	<u>\$ 138,900</u>	<u>\$ 59,800</u>	1,111,110	<u>\$ 1,051,310</u>
Fund balances - beginning			<u>(417,350)</u>	
Fund balances - ending			<u>\$ 693,760</u>	

City of Dunedin, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Building Fund
For the year ended September 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Charges for services	\$ 1,600,000	\$ 1,600,000	\$ 2,552,713	\$ 952,713
Investment earnings	-	-	67,873	67,873
Other revenue	-	-	7,206	7,206
Total revenues	<u>1,600,000</u>	<u>1,600,000</u>	<u>2,627,792</u>	<u>1,027,792</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	1,153,300	1,136,494	1,085,502	50,992
Capital outlay:				
Public safety	2,000	213,588	134,732	78,856
Total expenditures	<u>1,155,300</u>	<u>1,350,082</u>	<u>1,220,234</u>	<u>129,848</u>
Excess (deficiency) of revenues over (under) expenditures	<u>444,700</u>	<u>249,918</u>	<u>1,407,558</u>	<u>1,157,640</u>
Net change in fund balances	<u>\$ 444,700</u>	<u>\$ 249,918</u>	1,407,558	<u>\$ 1,157,640</u>
Fund balances - beginning			<u>1,951,258</u>	
Fund balances - ending			<u>\$ 3,358,816</u>	

City of Dunedin, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
County Gas Tax Fund
For the year ended September 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
Intergovernmental	\$ 479,200	\$ 479,200	\$ 497,357	\$ 18,157
Investment earnings	2,500	2,500	20,924	18,424
Total revenues	<u>481,700</u>	<u>481,700</u>	<u>518,281</u>	<u>36,581</u>
<u>EXPENDITURES</u>				
Current:				
General government	5,500	5,500	5,350	150
Transportation	187,300	200,028	118,712	81,316
Capital outlay:				
Transportation	<u>310,000</u>	<u>942,585</u>	<u>415,314</u>	<u>527,271</u>
Total expenditures	<u>502,800</u>	<u>1,148,113</u>	<u>539,376</u>	<u>608,737</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,100)</u>	<u>(666,413)</u>	<u>(21,095)</u>	<u>645,318</u>
Net change in fund balances	<u>\$ (21,100)</u>	<u>\$ (666,413)</u>	<u>(21,095)</u>	<u>\$ 645,318</u>
Fund balances - beginning			<u>890,347</u>	
Fund balances - ending			<u>\$ 869,252</u>	

DUNEDIN

Home of Honeymoon Island

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Internal Service Funds

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

Vehicle Maintenance

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

Building Maintenance

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

Self – Insurance

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

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
Combining Statement of Net Position
Internal Service Funds
September 30, 2019

	<u>Fleet Maintenance</u>	<u>Facilities Maintenance</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash, cash equivalents, and investments	\$ 3,414,415	\$ 1,472,099	\$ 5,551,786	\$ 606,921	\$ 11,045,221
Receivables-net of allowance for uncollectibles	8,613	813	74	-	9,500
Interest receivable	15,702	6,247	23,711	2,776	48,436
Inventories	120,981	-	-	-	120,981
Prepaid items	-	-	15,591	716	16,307
Deposits	-	-	143,809	-	143,809
Total current assets	<u>3,559,711</u>	<u>1,479,159</u>	<u>5,734,971</u>	<u>610,413</u>	<u>11,384,254</u>
Noncurrent assets:					
Capital assets:					
Buildings	1,179,463	686,701	-	-	1,866,164
Improvements other than buildings	4,744	-	-	-	4,744
Machinery and equipment	14,464,221	184,013	-	1,150,678	15,798,912
Less: accumulated depreciation	<u>(9,762,452)</u>	<u>(364,307)</u>	<u>-</u>	<u>(167,397)</u>	<u>(10,294,156)</u>
Total capital assets, net	<u>5,885,976</u>	<u>506,407</u>	<u>-</u>	<u>983,281</u>	<u>7,375,664</u>
Total noncurrent assets	<u>5,885,976</u>	<u>506,407</u>	<u>-</u>	<u>983,281</u>	<u>7,375,664</u>
Total assets	<u>9,445,687</u>	<u>1,985,566</u>	<u>5,734,971</u>	<u>1,593,694</u>	<u>18,759,918</u>
DEFERRED OUTFLOWS OF RESOURCES					
Other post employment benefits (OPEB)	6,599	4,488	3,998	3,731	18,816
Total deferred outflows of resources	<u>6,599</u>	<u>4,488</u>	<u>3,998</u>	<u>3,731</u>	<u>18,816</u>
Total assets and deferred outflows of resources	<u>9,452,286</u>	<u>1,990,054</u>	<u>5,738,969</u>	<u>1,597,425</u>	<u>18,778,734</u>
LIABILITIES					
Current liabilities:					
Accounts payable	38,898	57,969	55,027	43,314	195,208
Accrued salaries payable	13,965	13,410	5,203	9,828	42,406
Accrued interest payable	3,088	-	-	-	3,088
Capital leases payable	126,862	-	-	-	126,862
Compensated absences	87,609	55,637	15,078	38,400	196,724
Claims payable	-	-	237,969	-	237,969
Total current liabilities	<u>270,422</u>	<u>127,016</u>	<u>313,277</u>	<u>91,542</u>	<u>802,257</u>
Noncurrent liabilities:					
Capital leases payable	128,905	-	-	-	128,905
Compensated absences	29,640	18,823	5,101	12,992	66,556
Other post employment benefit liability	47,314	48,565	9,831	30,710	136,420
Claims payable	-	-	659,463	-	659,463
Total noncurrent liabilities	<u>205,859</u>	<u>67,388</u>	<u>674,395</u>	<u>43,702</u>	<u>991,344</u>
Total liabilities	<u>476,281</u>	<u>194,404</u>	<u>987,672</u>	<u>135,244</u>	<u>1,793,601</u>
DEFERRED INFLOWS OF RESOURCES					
Other post employment benefits (OPEB)	1,887	1,294	1,234	1,057	5,472
Total deferred inflows of resources	<u>1,887</u>	<u>1,294</u>	<u>1,234</u>	<u>1,057</u>	<u>5,472</u>
Total liabilities and deferred inflows of resources	<u>478,168</u>	<u>195,698</u>	<u>988,906</u>	<u>136,301</u>	<u>1,799,073</u>
NET POSITION					
Net investment in capital assets	5,630,209	506,407	-	983,281	7,119,897
Unrestricted	3,343,909	1,287,949	4,750,063	477,843	9,859,764
Total net position	<u>\$ 8,974,118</u>	<u>\$ 1,794,356</u>	<u>\$ 4,750,063</u>	<u>\$ 1,461,124</u>	<u>\$ 16,979,661</u>

City of Dunedin
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the year ended September 30, 2019

	<u>Fleet Maintenance</u>	<u>Facilities Maintenance</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 3,019,998	\$ 1,623,300	\$ 6,330,886	\$ 1,243,800	\$ 12,217,984
Other operating revenue	-	35,270	25,079	-	60,349
Total operating revenues	<u>3,019,998</u>	<u>1,658,570</u>	<u>6,355,965</u>	<u>1,243,800</u>	<u>12,278,333</u>
Operating expenses:					
Personal services	683,945	760,592	251,200	512,239	2,207,976
Supplies and services	1,016,377	736,153	5,370,436	538,192	7,661,158
Depreciation	997,218	38,399	-	79,354	1,114,971
Total operating expenses	<u>2,697,540</u>	<u>1,535,144</u>	<u>5,621,636</u>	<u>1,129,785</u>	<u>10,984,105</u>
Operating income (loss)	<u>322,458</u>	<u>123,426</u>	<u>734,329</u>	<u>114,015</u>	<u>1,294,228</u>
Nonoperating revenues (expenses):					
Investment earnings	61,041	26,841	105,102	11,413	204,397
Interest/amortization expense	(4,620)	-	-	-	(4,620)
Gain (Loss) on disposal of capital assets	221,769	-	-	-	221,769
Total nonoperating revenues (expenses)	<u>278,190</u>	<u>26,841</u>	<u>105,102</u>	<u>11,413</u>	<u>421,546</u>
Income before contributions and transfers	600,648	150,267	839,431	125,428	1,715,774
Transfers in	<u>131,700</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>281,700</u>
Change in net position	732,348	150,267	839,431	275,428	1,997,474
Net position - beginning	<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>
Net position - ending	<u>\$ 8,974,118</u>	<u>\$ 1,794,356</u>	<u>\$ 4,750,063</u>	<u>\$ 1,461,124</u>	<u>\$ 16,979,661</u>

City of Dunedin
Combining Statement of Cash Flows
For the year ended September 30, 2019

	<u>Fleet Maintenance</u>	<u>Facilities Maintenance</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,011,385	\$ 1,622,487	\$ 6,334,024	\$ 1,243,800	\$ 12,211,696
Payments to suppliers	(1,204,101)	(747,437)	(5,591,820)	(502,089)	(8,045,447)
Payments to employees	(669,348)	(743,528)	(247,596)	(499,594)	(2,160,066)
Other operating revenue	-	35,270	25,079	-	60,349
Net cash provided by (used in) operating activities	<u>1,137,936</u>	<u>166,792</u>	<u>519,687</u>	<u>242,117</u>	<u>2,066,532</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	131,700	-	-	150,000	281,700
Net cash provided by (used in) noncapital financing activities	<u>131,700</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>281,700</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	438,048	-	-	-	438,048
Purchase of capital assets	(2,394,231)	(59,986)	-	(494,113)	(2,948,330)
Principal paid on capital debt	(124,852)	-	-	-	(124,852)
Interest paid on capital debt	(6,128)	-	-	-	(6,128)
Net cash provided by (used in) capital and related financing activities	<u>(2,087,163)</u>	<u>(59,986)</u>	<u>-</u>	<u>(494,113)</u>	<u>(2,641,262)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings received	64,137	26,851	103,780	11,938	206,706
Net cash provided by (used in) investing activities	<u>64,137</u>	<u>26,851</u>	<u>103,780</u>	<u>11,938</u>	<u>206,706</u>
Net increase in cash and cash equivalents	(753,390)	133,657	623,467	(90,058)	(86,324)
Cash and cash equivalents - October 1	4,167,805	1,338,442	4,928,319	696,979	11,131,545
Cash and cash equivalents - September 30	<u>\$ 3,414,415</u>	<u>\$ 1,472,099</u>	<u>\$ 5,551,786</u>	<u>\$ 606,921</u>	<u>\$ 11,045,221</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income / (loss)	\$ 322,458	\$ 123,426	\$ 734,329	\$ 114,015	\$ 1,294,228
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	997,218	38,399	-	79,354	1,114,971
(Increase) decrease in:					
Accounts receivable	(8,613)	(813)	3,137	-	(6,289)
Inventories	(40,813)	-	-	-	(40,813)
Prepaid items	-	-	51,455	(715)	50,740
Deposits	-	-	(51,455)	-	(51,455)
Deferred outflows	546	710	168	364	1,788
Increase (decrease) in:					
Accounts payable	(146,911)	(11,286)	(64,087)	36,819	(185,465)
Accrued wages payable	3,955	3,957	1,412	4,072	13,396
Compensated absences / OPEB	10,043	12,330	2,009	8,173	32,555
Claims payable	-	-	(157,297)	-	(157,297)
Deferred inflows	53	69	16	35	173
Total adjustments	<u>815,478</u>	<u>43,366</u>	<u>(214,642)</u>	<u>128,102</u>	<u>772,304</u>
Net cash provided by operating activities	<u>\$ 1,137,936</u>	<u>\$ 166,792</u>	<u>\$ 519,687</u>	<u>\$ 242,117</u>	<u>\$ 2,066,532</u>

DUNEDIN

Home of Honeymoon Island

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Statistical Section

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

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

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

FINANCIAL TRENDS

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

	2019	2018	2017	2016
Governmental activities:				
Net investment in capital assets	\$ 66,403,811	\$ 63,664,408	\$ 62,763,046	\$ 64,339,229
Restricted	33,699,242	15,029,816	11,721,407	7,026,213
Unrestricted	8,931,649	7,168,991	8,073,971	10,836,332
Total governmental activities net position	<u>\$ 109,034,702</u>	<u>\$ 85,863,215</u>	<u>\$ 82,558,424</u>	<u>\$ 82,201,774</u>
Business type activities:				
Net investment in capital assets	\$ 34,609,553	\$ 31,280,649	\$ 30,862,852	\$ 27,018,599
Restricted	-	1,542,739	1,456,178	3,741,836
Unrestricted	25,785,669	27,874,765	25,161,006	23,659,881
Total business type activities net position	<u>\$ 60,395,222</u>	<u>\$ 60,698,153</u>	<u>\$ 57,480,036</u>	<u>\$ 54,420,316</u>
Primary government:				
Net investment in capital assets	\$ 101,013,364	\$ 94,945,057	\$ 93,625,898	\$ 91,357,828
Restricted	33,699,242	16,572,555	13,177,585	10,768,049
Unrestricted	34,717,318	35,043,756	33,234,977	34,496,213
Total primary government net position	<u>\$ 169,429,924</u>	<u>\$ 146,561,368</u>	<u>\$ 140,038,460</u>	<u>\$ 136,622,090</u>

Source: City Records

	2015	2014	2013	2012	2011	2010
\$	64,170,000	\$ 64,104,251	\$ 58,239,411	\$ 56,781,075	\$ 57,690,458	\$ 52,017,214
	6,506,661	4,840,593	4,424,603	5,892,014	3,309,277	919,351
	9,270,449	7,363,412	6,502,111	6,459,724	10,834,009	14,804,273
<u>\$</u>	<u>79,947,110</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>
\$	25,618,520	\$ 33,534,035	\$ 33,405,168	\$ 33,259,017	\$ 35,573,590	\$ 33,375,182
	1,283,476	1,184,262	1,146,633	1,015,491	8,719,804	9,734,525
	28,031,653	21,764,460	22,845,536	23,293,206	10,028,817	10,567,261
<u>\$</u>	<u>54,933,649</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>
\$	89,788,520	\$ 97,638,286	\$ 91,644,579	\$ 90,040,092	\$ 93,264,048	\$ 85,392,396
	7,790,137	6,024,855	5,571,236	6,907,505	12,029,081	10,653,876
	37,302,102	29,127,872	29,347,647	29,752,930	20,862,826	25,371,534
<u>\$</u>	<u>134,880,759</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>

2012	2011	2010
\$ 2,428,449	\$ 2,169,100	\$ 2,499,304
11,296,238	11,514,839	11,691,457
-	314,305	-
1,897,883	2,248,772	2,226,040
508,474	384,451	467,325
9,673,676	9,599,618	9,772,233
642,358	920,611	772,810
<u>26,447,077</u>	<u>27,151,696</u>	<u>27,429,169</u>
4,700,689	4,957,784	4,577,524
16,647,088	17,122,361	16,661,525
2,150,715	1,892,990	1,792,841
458,798	491,495	484,848
35,254	71,010	378,065
-	-	-
<u>23,992,544</u>	<u>24,535,640</u>	<u>23,894,803</u>
<u>\$ 50,439,621</u>	<u>\$ 51,687,336</u>	<u>\$ 51,323,972</u>
\$ -	\$ -	\$ -
3,358,410	3,008,565	2,899,019
-	-	-
129,946	110,152	126,548
2,190,448	2,138,344	2,543,144
45,361	137,880	228,748
<u>1,837,921</u>	<u>1,656,723</u>	<u>1,941,343</u>
<u>7,562,086</u>	<u>7,051,664</u>	<u>7,738,802</u>
5,010,962	4,975,022	5,551,050
16,826,489	15,895,494	15,618,206
2,693,752	2,270,391	1,887,145
471,043	473,373	433,559
(903)	25	214,859
-	-	-
-	7,113	-
<u>2,114,029</u>	<u>822,883</u>	<u>628,771</u>
<u>27,115,372</u>	<u>24,444,301</u>	<u>24,333,590</u>
<u>\$ 34,677,458</u>	<u>\$ 31,495,965</u>	<u>\$ 32,072,392</u>
\$ (18,884,991)	\$ (20,100,032)	\$ (19,690,367)
3,122,828	(91,339)	438,787
<u>\$ (15,762,163)</u>	<u>\$ (20,191,371)</u>	<u>\$ (19,251,580)</u>
\$ 6,096,273	\$ 6,540,293	\$ 7,277,630
4,208,418	4,534,665	4,807,075
2,810,128	2,674,927	2,720,927
1,864,750	1,846,028	1,793,787
2,541,409	2,707,724	2,935,741
81,917	83,596	76,239
1,158,749	1,170,693	1,243,130
-	-	1,639
76,561	95,313	146,429
(37,708)	30,918	24,693
(40,416)	(658,074)	(1,820,411)
<u>18,760,081</u>	<u>19,026,083</u>	<u>19,206,879</u>
77,763	78,508	143,825
4,495	-	371
40,416	658,074	1,820,411
<u>122,674</u>	<u>736,582</u>	<u>1,964,607</u>
<u>\$ 18,882,755</u>	<u>\$ 19,762,665</u>	<u>\$ 21,171,486</u>
\$ (124,911)	\$ (1,073,949)	\$ (483,488)
3,245,503	645,243	2,403,394
<u>\$ 3,120,592</u>	<u>\$ (428,706)</u>	<u>\$ 1,919,906</u>

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

<u>Fiscal Year</u>	<u>Property</u>	<u>Franchise</u>	<u>Utility Service</u>	<u>Total</u>
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
2019	10,677,022	2,789,433	4,589,508	18,055,963

Source: City Records

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

	2019	2018	2017	2016
General fund:				
Nonspendable	\$ 1,865,202	\$ 14,673	\$ 210,175	\$ 212,299
Restricted	181,500	251,301	268,627	280,928
Committed	815,006	759,997	676,837	354,800
Assigned	757,632	957,200	510,219	3,143,941
Unassigned	5,448,652	4,158,234	4,663,984	4,252,961
Total general fund	\$ 9,067,992	\$ 6,141,405	\$ 6,329,842	\$ 8,244,929
All other governmental funds:				
Nonspendable	\$ 506,800	\$ 1,800	\$ 1,800	\$ 3,831
Restricted	33,704,702	14,778,515	11,452,780	6,745,285
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(417,350)	(750,108)	-
Total all other governmental funds	\$ 34,211,502	\$ 14,362,965	\$ 10,704,472	\$ 6,749,116

Source: City Records

2015	2014	2013	2012	2011	2010
\$ 13,339	\$ 216,896	\$ 11,052	\$ 22,670	\$ 15,275	\$ 255,599
350,064	352,473	585,458	567,305	627,388	612,627
277,219	228,418	-	-	-	-
765,970	65,447	115,416	242,303	2,020,923	562,133
6,414,126	3,217,422	3,097,698	3,944,684	4,984,151	7,302,058
<u>\$ 7,820,718</u>	<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
6,156,597	4,483,221	3,839,145	3,379,423	2,681,888	3,782,026
284,151	328,405	237,177	483,645	603,830	397,793
-	-	-	-	-	-
-	-	23,155	-	-	99,827
<u>\$ 6,440,748</u>	<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>

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

(modified accrual basis of accounting)

	2019	2018	2017	2016
REVENUES				
Taxes	\$ 18,055,963	\$ 16,753,590	\$ 15,576,174	\$ 14,980,857
Licenses, fees and permits	533,171	303,130	574,584	1,732,716
Intergovernmental	23,785,637	9,883,895	9,240,743	9,072,239
Charges for services	9,055,377	8,189,818	8,014,070	5,966,581
Impact Fees	379,861	303,196	140,762	143,435
Fines and forfeits	614,292	1,374,964	870,548	483,228
Investment earnings	1,166,652	256,993	144,174	43,770
Miscellaneous	1,929,434	759,924	808,812	803,547
Total revenues	55,520,387	37,825,510	35,369,867	33,226,373
EXPENDITURES				
General government	5,152,121	6,072,395	4,308,759	4,419,611
Public safety	12,786,971	12,243,373	11,765,529	11,399,327
Transportation	1,862,671	2,158,745	1,749,797	1,724,305
Economic environment	552,483	470,142	331,851	390,839
Culture and recreation	10,348,294	9,665,303	9,299,140	9,157,382
Debt service:				
Principal	1,060,025	1,035,992	1,013,050	1,216,501
Interest/Cost of issuance	982,844	153,066	180,344	189,422
Capital outlay	35,837,467	2,250,394	1,269,870	3,537,097
Aids and grants	534,314	248,758	211,627	176,632
Total expenditures	69,117,190	34,298,168	30,129,967	32,211,116
Excess (deficiency) of revenues over expenditures	(13,596,803)	3,527,342	5,239,900	1,015,257
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	29,080	2,989	27,050	1,473
Debt proceeds	35,180,513	-	-	-
Transfers in	2,526,271	5,871,604	1,531,785	337,985
Transfers out	(454,937)	(5,931,879)	(4,758,466)	(622,136)
Refund of debt	(909,000)	-	-	-
Total other financing sources (uses)	36,371,927	(57,286)	(3,199,631)	(282,678)
Net change in fund balances	\$ 22,775,124	\$ 3,470,056	\$ 2,040,269	\$ 732,579
Debt service as a percentage of noncapital expenditures	6.1%	3.7%	4.1%	4.9%

Source: City Records

2015	2014	2013	2012	2011	2010
\$ 13,957,812	\$ 13,640,000	\$ 12,361,914	\$ 12,846,100	\$ 13,782,682	\$ 15,020,446
1,304,991	941,721	863,480	971,988	754,756	732,845
8,713,327	8,607,752	7,980,907	7,519,245	7,429,830	8,251,620
5,778,492	5,537,719	5,593,634	5,621,731	5,393,724	5,369,511
24,228	14,785	16,557	27,985	18,399	26,277
384,288	378,643	497,113	178,739	220,901	119,427
71,817	14,659	22,547	47,478	77,993	122,088
3,748,837	685,853	972,102	564,813	683,981	708,974
<u>33,983,792</u>	<u>29,821,132</u>	<u>28,308,254</u>	<u>27,778,079</u>	<u>28,362,266</u>	<u>30,351,188</u>
4,525,270	4,366,316	3,939,915	2,975,639	3,026,559	3,273,169
10,230,404	10,175,544	9,927,788	11,182,563	11,252,343	11,781,242
1,643,219	1,694,823	1,616,462	1,543,624	1,656,767	1,785,106
370,393	448,045	398,917	445,600	409,780	466,280
8,817,280	8,304,517	8,013,764	7,728,248	7,329,256	7,934,753
1,496,651	1,394,636	1,410,650	1,424,928	1,584,307	1,297,789
292,372	343,697	540,297	610,170	680,752	741,855
1,211,986	2,718,624	2,779,744	2,476,284	3,624,709	4,198,061
214,292	287,472	286,677	186,329	211,860	166,233
<u>28,801,867</u>	<u>29,733,674</u>	<u>28,914,214</u>	<u>28,573,386</u>	<u>29,776,333</u>	<u>31,644,488</u>
5,181,925	87,458	(605,960)	(795,307)	(1,414,067)	(1,293,300)
8,252	25,817	8,683	-	-	-
(119,211)	-	104,138	-	-	-
1,011,810	2,697,443	1,370,702	3,258,292	1,696,012	2,405,836
(718,490)	(1,822,638)	(1,608,492)	(4,757,152)	(2,418,887)	(3,259,235)
-	-	-	-	-	-
<u>182,361</u>	<u>900,622</u>	<u>(124,969)</u>	<u>(1,498,860)</u>	<u>(722,875)</u>	<u>(853,399)</u>
<u>\$ 5,364,286</u>	<u>\$ 988,080</u>	<u>\$ (730,929)</u>	<u>\$ (2,294,167)</u>	<u>\$ (2,136,942)</u>	<u>\$ (2,146,699)</u>
<u>6.5%</u>	<u>6.4%</u>	<u>7.5%</u>	<u>7.8%</u>	<u>8.7%</u>	<u>7.4%</u>

City of Dunedin, Florida

General Governmental Expenditures and Transfers by Function ¹

Last Ten Fiscal Years ²

Fiscal Year	General Government	Public Safety	Transportation	Economic Environment	Culture and Recreation	Debt Service
2010	\$ 3,273,169	\$ 11,781,242	\$ 1,785,106	\$ 466,280	\$ 7,934,753	\$ 2,039,644
2011	3,026,559	11,252,343	1,656,767	409,780	7,329,256	2,265,059
2012	2,975,639	11,182,563	1,543,624	445,600	7,728,248	2,035,098
2013	3,939,915	9,927,788	1,616,462	398,917	8,013,764	1,950,947
2014	4,366,316	10,175,544	1,694,823	448,045	8,304,517	1,738,333
2015	4,525,270	10,230,404	1,643,219	370,393	8,817,281	1,789,023
2016	4,419,611	11,399,327	1,724,305	390,839	9,157,382	1,405,923
2017	4,308,759	11,765,529	1,749,797	331,851	9,299,140	1,193,394
2018	6,072,395	12,243,373	2,158,745	470,142	9,665,303	1,189,058
2019	5,152,121	12,786,971	1,862,671	552,483	10,348,294	2,036,521

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.

Capital Outlay	Transfers Out	Other	Total
\$ 4,198,061	\$ 3,259,235	\$ 166,233	\$ 34,903,723
3,624,709	2,418,887	211,860	32,195,220
2,476,284	4,757,152	186,329	33,330,538
2,779,744	1,608,492	286,677	30,522,706
2,718,624	1,822,638	287,472	31,556,312
1,211,986	718,490	214,292	29,520,358
3,537,097	622,136	176,632	32,833,252
1,269,870	4,758,466	211,627	34,888,433
2,250,394	5,931,879	248,758	40,230,047
35,837,467	454,937	534,314	69,565,779

DUNEDIN

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REVENUE CAPACITY

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

FY Ended Sept 30,	Real Property				
	Residential Property	Commercial Property	Industrial Property	Other Property ¹	Personal Property
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
2019	2,085,770,235	316,650,025	26,974,210	29,858,189	92,135,762
Change 2018 - 2019	9.81%	5.40%	4.17%	2.56%	2.37%

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

Total Taxable Assessed Value	Total Direct Tax Rate ²	Estimated Actual Market Value ³	Taxable Assessed Value as a % of Actual Value
\$ 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%
2,551,388,421	4.1345	4,365,257,429	58.4%
8.81%	0.00%	10.89%	

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

Fiscal Year	City Direct Rate ¹	Overlapping Rates					TOTAL
		County Wide ²	School	Transit District ³	EMS ³	Other Districts ⁴	
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
2019	4.1345	5.3590	6.7270	0.7500	0.9158	1.2086	19.0949

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.	0.2955
	<u>1.2086</u>

Source: Pinellas County Property Appraiser

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

Taxpayer	September 30, 2019			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
MacAlpine Place Apt Ptn, LTD	\$ 58,750,000	1	2.30%	\$ 31,500,000	1	1.56%
Chesapeake Apt.	23,282,030	2	0.91%	14,560,000	3	0.72%
1763 Main Street, LLC	18,250,000	3	0.72%			
MHC Lake Haven LLC	14,124,000	4	0.55%	10,650,000	4	0.53%
PBH Logarto, LLC	11,180,400	5	0.44%			
Scottish Towers II Apt LTD Partnership	10,700,000	6	0.42%			
Publix Super Markets Inc.	9,275,000	7	0.36%	8,625,000	5	0.43%
NNN Dunedin FL Owner, LP	9,075,000	8	0.36%			
Doheny-Vidovich Partners	8,955,282	9	0.35%			
Coca Cola Inc.	8,500,000	10	0.33%			
Pinellas Marina LLC				30,842,568	2	1.52%
Coastal Palms SDM LLC				8,500,000	6	0.42%
Odyssey DP I LLC				8,300,000	7	0.41%
Wells Fargo Bank, NA				7,950,764	8	0.39%
Allen, William				7,835,513	9	0.39%
SES Group-Windemere LTD				7,663,267	10	0.38%
SUB-TOTAL:	172,091,712		6.74%	136,427,112		6.75%
ALL OTHERS:	2,379,296,709		93.26%	1,887,200,392		93.25%
TOTAL:	<u>\$ 2,551,388,421</u>		<u>100.00%</u>	<u>\$ 2,023,627,504</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 ¹	Percent of Levy	Delinquent Collections ²	Amount	Percentage of Levy
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%
2019	2,551,388,421	4.1345	10,548,715	9,581,919	90.8%	193,106	9,775,025	92.7%

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 ¹	Per Capita ¹
	Revenue Bonds	Capital Leases	Water / Sewer & Stormwater Bonds & Notes	Capital Leases			
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
2019	40,142,754	255,767	26,234,660	475,910	67,109,091	4.95%	1,791

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

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

* 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, 2019

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE¹	ESTIMATED SHARE OF OVERLAPPING DEBT
Overlapping debt:			
Pinellas County	\$ 18,932,592		
Pinellas County School Board	\$ 70,846,041		
Total overlapping debt	\$ 89,778,633	3.210%	\$ 2,881,894
City of Dunedin direct debt			<u>\$ 40,398,521</u>
Total direct and overlapping debt			<u><u>\$ 43,280,415</u></u>

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

City Taxable Value:	\$ 2,551,388,421
County Taxable Value:	\$79,376,212,411

Sources:

Assessed value used to estimate applicable percentages provided by the Pinellas County Property Appraiser.

Debt outstanding data provided by Pinellas County School Board.

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

Fiscal Year	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³	Coverage Ratio
2010	\$ 17,454,334	\$ 12,481,590	\$ 4,972,744	\$ 2,457,283	2.02
2011	18,133,758	12,945,494	5,188,264	2,486,758	2.09
2012	16,879,645	10,925,824	5,417,161	2,605,576	2.08
2013	15,475,054	11,028,345	4,446,709	495,803 ⁴	8.97
2014	15,244,674	11,248,564	3,996,110	1,891,887	2.11
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
2019	18,254,464	13,240,652	5,013,811	1,454,648	3.45

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 FY2013 debt service included interest-only payments.

City of Dunedin, Florida
Revenue Bond Coverage
Stormwater Revenue Bonds

Fiscal Year	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³	Coverage Ratio
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
2019	4,032,797	2,388,598	1,644,199	886,879	1.85

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 2019	Adopted Budget September 30 2019	Adopted Budget September 30 2020
Total Governmental Revenues	\$ 55,520,387	\$ 106,570,850	\$ 92,123,700
Internal Service Revenues:			
Rental Income	33,745	27,000	-
Non-Operating:			
Investment earnings	204,397	23,500	68,000
Total Internal Services Revenues	<u>238,142</u>	<u>50,500</u>	<u>68,000</u>
Total Annual Revenues - September 30	<u><u>\$ 55,758,529</u></u>	<u><u>\$ 106,621,350</u></u>	<u><u>\$ 92,191,700</u></u>
Total Annual General Government Debt Service exclusive of Enterprise Funds, Internal Service Funds and Special Assessment Debt Service	<u><u>\$ 1,640,276</u></u>	<u><u>\$ 4,611,048</u></u>	<u><u>\$ 3,574,900</u></u>
Debt Service Ratio	<u><u>2.94%</u></u>	<u><u>4.32%</u></u>	<u><u>3.88%</u></u>
Total Capacity Debt Service (12.5%)	\$ 6,969,816	\$ 13,327,669	\$ 11,523,963
Less: Current Debt Service	<u>1,640,276</u>	<u>4,611,048</u>	<u>3,574,900</u>
Excess Debt Service Available	<u><u>\$ 5,329,540</u></u>	<u><u>\$ 8,716,621</u></u>	<u><u>\$ 7,949,063</u></u>
Excess Outstanding Debt Service Available			
10 Years	\$ 49,316,233	\$ 80,658,159	\$ 73,555,655
20 Years	92,077,949	150,596,213	137,335,183

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

Debt Description	September 30 2018	September 30 2019	Adopted Budget September 30 2020
Community Center			
\$6.5M - Sales Tax Refunding Revenue Bond, Series 2015	\$ 667,949	\$ 671,728	\$ 665,300
Spring Training Facilities			
\$5.2M Series 2012 Revenue Note	415,148	415,148	415,215
\$12.3M Series 2018 Revenue Bond	-	184,650	864,125
\$20.2M Series 2018A Revenue Bond	-	260,918	1,519,860
Fire Station 61			
\$1.28M Series 2013 Non Ad Valorem Note	105,961	95,232	-
\$0.8M Series 2018B Non-AV Refunding Revenue Bonds	-	12,600	110,400
Total Annual General Government Debt Service	\$ 1,189,058	\$ 1,640,276	\$ 3,574,900

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DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Fiscal Year	Population ¹	Personal Income ²	Per Capita Income ³	Median Age ⁴	Unemployment Rate ⁵
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%
2019	37,463	1,356,909,860	36,220	55.4 ⁶	3.1%

Data Source:

¹ FY 2010, 2014: City-data.com; FY 2011: 2010 US Census; FY 2012-2013, FY 2015-2019: Pinellas County Economic Development.

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

³ FY 2010: City-data.com; FY 2011, 2014: US Census results
FY 2012, 2015-2019: Pinellas Co. Economic Development

⁴ FY 2010: Muninetguide.com; FY 2011, 2014: US Census
FY 2012-2013, 2015-2019: Pinellas Co. Economic Development.

⁵ Bureau of Labor Statistics; not seasonally adjusted; FY 2019 unemployment rate shown as of August 31, 2019.

⁶ Information unavailable for FY 2019; FY2018 information utilized.

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

Employer	September 30, 2019			September 30, 2010		
	Employees	Rank	Percentage of Total City Employment²	Employees	Rank	Percentage of Total City Employment²
Pinellas School System	532	1	2.90%	600	3	3.73%
Mease Dunedin Hospital	405	2	2.21%	642	2	3.99%
City of Dunedin	355	3	1.93%	369	4	2.29%
Publix Supermarkets	260	4	1.42%			
Minute Maid Company	220	5	1.20%			
Coca-Cola Bottling Company	200	6	1.09%	168	6	1.04%
Fenway Hotel	200	6	1.09%			
Pelican Bay	200	6	1.09%			
Bay Care Home Care	150	9	0.82%			
Bon Appetit Restaurant & Bar	120	10	0.65%			
Manorcare Health SVC - Dunedin	120	10	0.65%			
Nielsen Media Research			0.00%	674	1	4.19%
Mease Manor			0.00%	290	5	1.80%
TOTAL	2,762		15.05%	2,743		17.05%

¹ Source: Pinellas County Economic Development

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

Total employment for 2019 18,355 at September 30, 2019

Total employment for 2010 16,086 at September 30, 2010

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OPERATING INFORMATION

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

Function	2019	2018	2017	2016	2015	2014
General government	53.890	54.570	51.990	60.690	57.660	60.470
Public safety						
Fire*	46.000	46.000	45.250	45.250	45.250	45.250
EMS*	10.000	10.000	9.750	9.750	9.750	9.750
Building services**	10.410	8.700	8.700	-	-	-
Culture and recreation	88.970	86.400	86.400	84.520	82.770	79.500
Highways and streets						
Engineering	14.000	14.080	14.000	14.000	14.500	14.500
Maintenance	9.660	8.660	8.660	8.660	8.660	8.660
Facilities	11.680	10.680	10.680	10.680	9.680	9.680
Fleet services	9.000	9.000	9.000	8.500	8.500	8.500
Solid waste	21.000	21.000	21.000	21.000	21.000	24.000
Water	30.330	31.080	30.330	30.330	30.330	30.330
Wastewater	35.330	35.330	35.330	35.330	35.330	35.330
Stormwater	14.660	13.660	13.660	13.660	13.660	13.660
TOTAL	<u>354.930</u>	<u>349.160</u>	<u>344.750</u>	<u>342.370</u>	<u>337.090</u>	<u>339.630</u>

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

2013	2012	2011	2010
55.880	52.730	55.500	52.225
45.250	45.250	45.250	45.250
9.750	9.750	9.750	9.750
-	-	-	-
77.750	76.000	75.500	82.000
14.750	15.000	15.500	15.000
8.660	9.670	9.660	9.000
9.680	9.680	9.660	12.000
8.500	8.500	8.500	8.500
24.000	26.000	28.000	28.000
31.000	32.000	32.000	29.000
36.000	36.000	38.000	47.000
12.660	11.670	10.660	10.000
<u>333.880</u>	<u>332.250</u>	<u>337.980</u>	<u>347.725</u>

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

Function	2019	2018	2017	2016
Fire				
Number of fire emergencies with dollar loss**	61	54	72	86
EMS responses	5,905	5,613	5,918	5,780
Other calls	2,543	2,257	2,664	2,229
Inspections	940	979	915	807
Investigations	18	22	27	14
Highways and streets				
Streets paved (miles)	135	135	130	130
Streets unimproved (miles)	4	4	6	3
Street lights	3,427	3,427	3,885	3,885
Culture and recreation ***				
Recreation facilities - parks (acres)	248	248	248	248
Recreation facilities - specialty facilities (acres)	203	206	206	206
Recreation facilities - beaches (acres)	37	37	37	37
Library materials	125,624	127,049	130,758	139,290
Library annual circulation	427,887	443,295	451,050	561,431
Library registered borrowers	33,027	31,255	29,354	27,337
Solid waste				
Customers serviced	14,725	14,775	14,700	14,715
Refuse / recycling collected (tons)	36,933	36,538	37,800	36,902
Water				
Total connections - regular	11,755	11,800	11,713	11,618
Total connections - reclaimed	3,835	3,763	3,714	3,659
Average daily consumption (Gallons) - regular	3,899,000	3,741,000	3,708,000	3,753,000
Average daily consumption (Gallons) - reclaimed	2,639,679	3,001,000	3,070,000	2,852,000
Operating wells	29	29	29	29
Sewer (wastewater)				
Miles of sanitary sewers	128	128	128	128
Average daily sewage treatment (Gallons)	4,751,000	4,316,000	4,071,000	4,598,000

* 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.

Source: City Records

2015	2014	2013	2012	2011	2010
86	69	91	115	108	110
6,930	5,423	5,173	5,138	5,012	4,973
1,000	1,639	1,739	1,372	1,462	1,988
1,011	1,097	1,279	1,396	1,509	1,596
25	26	20	97	88	108
130	130	130	130	130	130
3	3	3	3	3	3
3,885	3,918	3,568	3,568	3,568	3,568
240	240	240	322	322	322
206	206	201	*	*	*
37	37	37	37	37	37
138,568	158,566	141,734	135,945	139,623	146,909
543,419	549,885	590,323	632,382	656,507	600,951
29,653	32,716	31,454	29,756	26,439	29,735
14,607	14,536	14,442	14,453	14,473	14,492
35,594	35,366	34,929	35,618	38,425	40,656
11,437	11,361	11,331	11,435	10,958	10,894
3,628	3,554	3,549	3,395	3,396	3,395
3,645,000	3,605,000	3,400,000	3,514,000	3,020,000	3,256,000
2,500,000	2,590,000	2,800,000	2,850,000	2,670,000	2,600,000
27	27	27	26	22	*
128	128	128	128	128	128
4,707,000	4,232,000	4,100,000	4,370,000	4,390,000	4,596,000

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

Function	2019	2018	2017	2016
Fire				
Fire stations	3	3	3	3
Culture and recreation				
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	32	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
Water				
Water mains (miles)	172	172	172	172
Water plants	1	1	1	1
Fire hydrants	1,334	1,354	1,314	1,310
Sewer (wastewater)				
Mains	153	153	153	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

Source: City Records

2015	2014	2013	2012	2011	2010
3	3	3	3	3	3
10	10	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	183	194	194	194	194
1	1	1	1	1	1
1	1	1	1	1	1
31	31	31	32	32	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	5	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
1,292	1,238	1,236	1,220	1,220	1,220
150	150	150	150	150	150
43	43	43	42	42	42
1	1	1	1	1	1
128	128	128	128	128	128

DUNEDIN

Home of Honeymoon Island

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COMPLIANCE SECTION



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 fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 25, 2020. Our report includes a reference to other auditors who audited the financial statements of the City's Municipal Firefighters' Pension Trust Fund, as described in our report on the City's financial statements. The financial statements of the City's Municipal Firefighters' Pension Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated March 25, 2020.

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.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 25, 2020



Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND 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 Federal Program and State Project

We have audited the compliance of the City of Dunedin, Florida (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the requirements described in the Department of Financial Services State Projects *Compliance Supplement* that could have a direct and material effect on each of its major federal programs and major state projects for the fiscal year ended September 30, 2019. The City's major federal programs and 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 federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, 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 federal program or major state project identified in the accompanying Schedule of Findings and Questioned Costs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. 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 Federal Program and 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 each of its major federal programs and major state projects for the fiscal year ended September 30, 2019.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to in the first paragraph. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program or major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and 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 or state project will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and 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 fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 25, 2020, 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 Federal Awards and State Financial Assistance is presented for the purposes of additional analysis, as required by the Uniform Guidance, 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 Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General (Cont.)*

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.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 25, 2020

CITY OF DUNEDIN, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For The Year Ended September 30, 2019

<u>Federal / State Agency Federal Program / State Project</u>	<u>CFDA/CSFA Number</u>	<u>Grant/Contract Number</u>	<u>Total Program Expenditures</u>
<u>FEDERAL AWARDS</u>			
Department of Homeland Security			
Passed through Florida Division of Emergency Management			
FEMA - Hurricane Irma	97.036	Z0650	\$ 1,482,520
Department of Transportation			
Complete Streets Project	20.205	-	100,000
Total Expenditures of Federal Financial Assistance			<u><u>\$ 1,582,520</u></u>
<u>STATE FINANCIAL ASSISTANCE</u>			
Florida Department of Environment Protection			
Drinking Water State Revolving Fund	37.076	DW520260	\$ 88,106
Florida Department of Environment Protection			
Drinking Water State Revolving Fund	37.076	DW520261	2,821,102
Florida Department of Environment Protection			
Passed through Florida Communities Trust			
Florida Forever Award: Hammock Park Expansion	37.078	16-004-UA17	682,633
Florida Department of Revenue			
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise (Toronto Blue Jays Stadium)	73.016	08-CT-C1-07-F7-J1-097	500,004
Florida Department of Revenue			
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise (Toronto Blue Jays Stadium)	73.016	SB-18-007	999,996
Total Expenditures of State Financial Assistance			<u><u>\$ 5,091,841</u></u>

The Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and 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 the Uniform Guidance and 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.

Indirect Cost Rate

The indirect cost rate is dictated by its federal and state contract terms. The 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance is not in effect nor is available under its contracts.

CITY OF DUNEDIN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:

Unmodified Opinion

Internal control over financial reporting:

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

Federal Awards and State Financial Assistance

Internal control over major federal programs and state projects:

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

Type of auditor’s report issued on compliance for major federal programs and state projects:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 200.516 of the Uniform Guidance or Chapter 10.557, *Rules of the Auditor General*?

_____ Yes X No

Identification of Major Federal Programs and Major State Projects:

CFDA Number

Name of Federal Program

97.036

Disaster Grants – Public Assistance

CSFA Numbers

Name of State Project

37.076

Drinking Water Facility Construction

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

Federal	<u>\$750,000</u>
State	<u>\$750,000</u>

Auditee qualified as low-risk auditee? _____ Yes X No

CITY OF DUNEDIN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Cont.)
For the Year Ended September 30, 2019

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

No matters are reported.

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION REPORTED IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

No matters are reported.

SECTION IV – PRIOR-YEAR AUDIT FINDINGS

No matters are 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, 2019. 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, 2019.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 25, 2020



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, 2019, and have issued our report thereon dated March 25, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; Title 2 *U.S. Code of Federal Regulations, Cost Principles, and Audit Requirements of Federal Awards* ("Uniform Guidance"); 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 Federal Program and Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and 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 March 25, 2020 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding audit, there were no findings or recommendations.

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.

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

Financial Condition and Management

Sections 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 condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Special District Component Units

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

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 such findings.

Purpose of this Letter

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

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 25, 2020

CITY OF DUNEDIN, FLORIDA

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

For the Year Ended September 30, 2019

Source	Amount Received in the 2014-15 Fiscal Year	Amount Expended in the 2014-15 Fiscal Year	Amount Expended in the 2015-16 Fiscal Year	Amount Expended in the 2016-17 Fiscal Year	Amount Expended in the 2017-18 Fiscal Year	Amount Expended in the 2018-19 Fiscal Year
British Petroleum:						
Agreement No. Not Applicable	\$ 2,929,946	\$ -	\$ 101,582	\$ 45,770	\$ 2,233,328	\$ 245,528

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.

