

CITY OF DUNEDIN, FL.

FISCAL YEAR ENDED

SEPTEMBER 30, 2012



Hammock Park
Dunedin, Florida

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

"Dedicated to Quality Service"

“Dedicated To Quality Service”



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CITY OF DUNEDIN, FLORIDA

Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2012

CITY COMMISSION

DAVE EGGERS
Mayor

RON BARNETTE
Vice Mayor

JULIE SCALES
Commissioner

JULIE WARD BUJALSKI
Commissioner

DAVE CARSON
Commissioner

CITY MANAGER

ROBERT DISPIRITO

FINANCE DIRECTOR

KAREN FEENEY

PREPARED BY: CITY OF DUNEDIN FINANCE DEPARTMENT

“Dedicated To Quality Service”



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**City of Dunedin, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2012**

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City of Dunedin, Florida

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CITY OF DUNEDIN

"Dedicated to Quality Service"

P.O. BOX 1348
DUNEDIN, FLORIDA 34697-1348
(727) 298-3000
WEB SITE: www.dunedingov.com

April 30, 2013

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 of the City of Dunedin, Florida for the fiscal year ended September 30, 2012. This report fulfills the requirements set forth in Florida Statutes Chapter 218.39 and Rules of the Auditor General of the State of Florida, Chapter 10.550. This report presents a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants.

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

The City's financial statements have been audited in accordance with generally accepted auditing standards by CliftonLarsonAllen LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for fiscal year ended September 30, 2012 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 unqualified opinion on the City of Dunedin's financial statements for the year ended September 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in

"The City of Dunedin does not discriminate on the basis of race, color, national origin, sex, religion, age, political affiliation, marital status, sexual orientation and disabled status in employment or the provision of services"

conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated in June 1899, is located in the western part of the state, bordering the north side of Clearwater, Florida. The City currently occupies a land area of 10 square miles and serves a population of approximately 35,600. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by State statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

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

The City Commission is required to hold two (2) public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., fire). Department Heads may make transfers of appropriations within a department and fund. Transfers of appropriations between funds, however, require the approval of the City Commission. Budget-to-Actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and the One Cent Sales Tax Fund, these comparisons are presented on pages B-8 and B-9 as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented on pages D-8 through D-17.

Local economy

Dunedin is a City located to the North and West of Tampa, Florida and directly to the North of Clearwater, Florida. The City mainly consists of residential land use (45 percent), with industrial and commercial land uses comprising only 5 percent of the City's land area. The economy of Dunedin is primarily dependent upon tourism, services and retirement living. Major employers include the Pinellas County School System, Mease Hospital Dunedin (a medical complex), Publix, the City of Dunedin,

Mease Manor (a retirement facility), the Pinellas County Sheriff, Achieva Credit Union, 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 2012, the City's total labor force was 15,515 people and unemployment was at 8 percent, while unemployment for the State of Florida was 8.7 percent. As of 2012, the City's total population was 35,629; female 53.3 percent, male 46.7 percent. The median age was 53.5 years of age, and household income was \$48,496, slightly higher than the State average of \$47,827. Approximately 16.8 percent of Dunedin's residents were of retirement age (65 and over) in 2012. The local economy is also influenced during the winter months by a seasonal population of approximately 4,000 people.

There are several factors that have helped Dunedin to endure the recession caused by the decline and stagnation of major revenue sources over the past several years. These 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; Spring Training Facility for the Toronto Blue Jays; a very low vacancy rate for commercial and office buildings; comparatively few vacant or foreclosed homes; and many events and activities in the City that keep it vibrant and fun year-round. Dunedin remains a choice area in which to live.

Financial strategies that have helped the City through the economic downturn include reductions in operating costs via reorganizations and streamlining. Over the past five years, revenues collected by the City have declined. Ad valorem taxes collected for fiscal year 2007, when property values were at their peak, were \$9,028,457. For fiscal year 2012, ad valorem taxes collected were \$5,723,400, which is a 36.6% decline in this revenue source. Ad valorem taxes, in fiscal year 2012, represent approximately 25.5% of General Fund revenues. Sales tax revenues in the One Cent Sales Tax Fund have declined from \$3,186,280 in fiscal year 2007 to \$2,810,128 in fiscal year 2012, a decline of 11.8%. During this same period, General Fund operating costs have decreased from \$25,611,235 to \$22,879,038, or by 10.7% and General Fund, fund balance, has decreased from \$8,587,201 to \$4,776,962, a decrease of 44.4%.

Due to its strong local economy, and sound fiscal policies, the City of Dunedin has maintained a credit rating of Aa2 from Moody's and AA- from Standard and Poor's.

Long-term financial planning and major initiatives

During June of 2012, two bond issues were refunded and one was paid in full. Refunded issues were the Utility System Refunding Revenue Bonds, Series 2006, the Utility System Revenue Bonds, and Series 2007. In May, 2012 the Utility System Refunding Revenue Bonds, Series 1993 were defeased. More information on these transactions can be found in the notes, Note IV., Long-Term Debt.

Unassigned fund balance in the General Fund at year end was \$3,944,684 or 82.6% of fund balance. Included in this number is \$3,545,183 for operating reserves, which represents 15% of the subsequent year's General Fund operating budget.

The remaining unassigned fund balance is \$399,501.


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

Acknowledgements

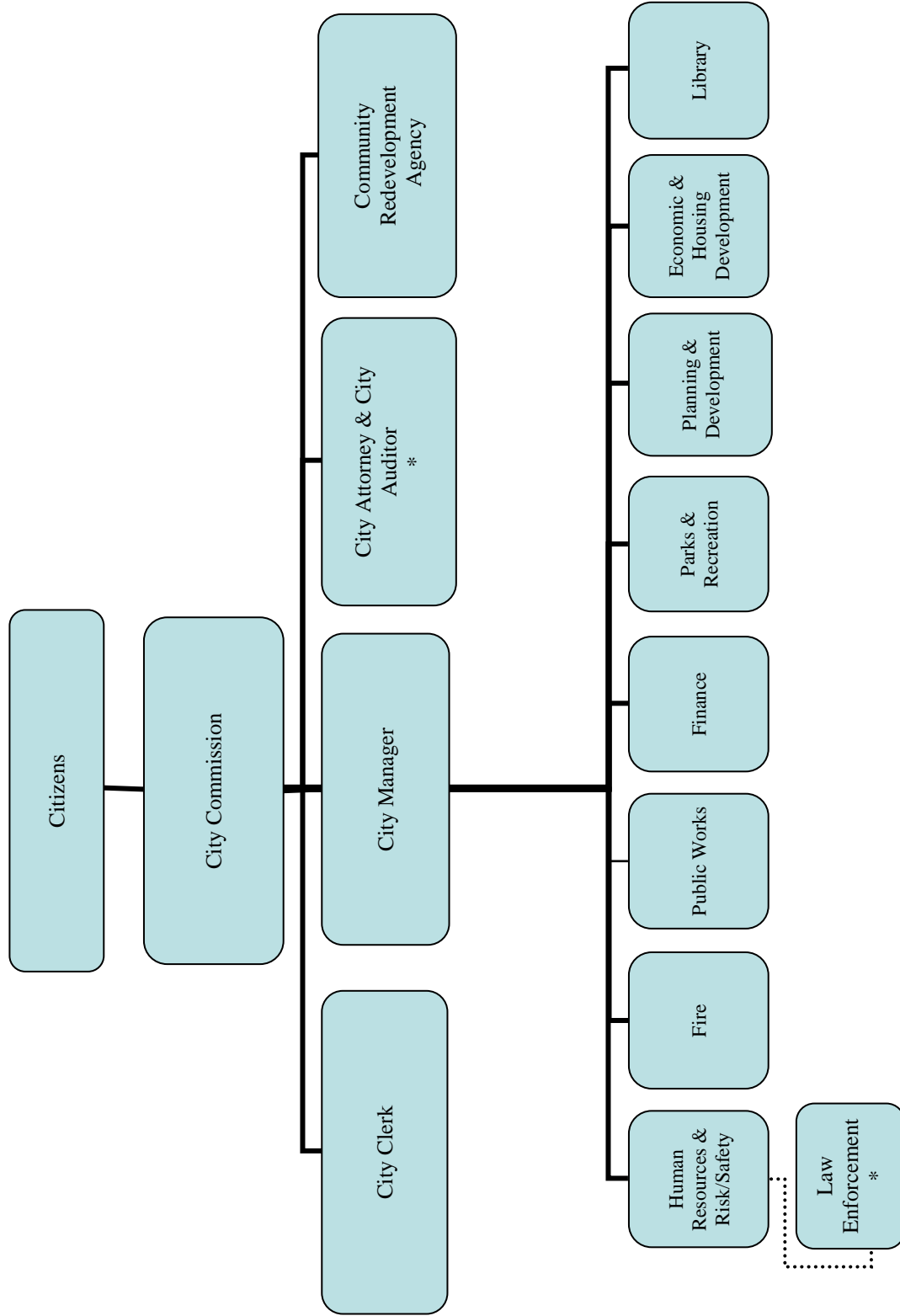
This report is the product of the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Department who assisted and contributed to its preparation. We would also like to express our appreciation to the Mayor and the City Commission for their support, and the firm of CliftonLarsonAllen LLP who provided their expertise through this audit.

Respectfully submitted,


Robert DiSpirito
City Manager


Karen Feeney
Finance Director

City of Dunedin Organizational Chart
FY 2012



Total Authorized Positions = 339 and Total Authorized FTEs = 332.25
 *Contractual

City of Dunedin, Florida

Certificate of Achievement

For the year ended September 30, 2011

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, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

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

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

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

“Dedicated To Quality Service”



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INDEPENDENT AUDITORS' REPORT

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

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 year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of the Dunedin Community Redevelopment Agency which is presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended September 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statement of the City's Municipal Firefighters' Pension Trust Fund which represents 100% of the assets and net assets 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, are 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. The financial statements of the Municipal Firefighters' Pension Trust Fund were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the aggregate remaining fund information and the Dunedin Community Redevelopment Agency of the City as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the One Cent Sales Tax Fund 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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2013 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), as listed on the table of contents, and the schedules of funding progress and employer contributions listed under required supplementary information on the table of contents are 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements and the financial statements of the Dunedin Community Redevelopment Agency which is presented as supplementary information. The combining and individual fund financial statements and schedules (with the exception of the Dunedin Community Redevelopment Agency), as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules (with the exception of the Dunedin Community Redevelopment Agency), 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. 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 basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.



CliftonLarsonAllen LLP

Tampa, Florida
April 30, 2013

Management's Discussion and Analysis

As management of the City of Dunedin, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2012. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal, which can be found on pages 7 – 10 of this report.

Financial Highlights

- The combined total assets of the City, at \$173,847,825, exceeded its combined total liabilities at the close of fiscal year 2012 by \$126,700,526 (*net assets*), an increase of \$3,120,592 (2.5%) in net assets compared to the prior year balance.
 - Of this net asset amount, \$90,040,091 (71.1%) is invested in capital assets and \$4,984,889 (3.9%) is restricted, leaving \$31,675,546 (25.0%) in unrestricted net assets which may be used to meet the City's ongoing and outstanding obligations to citizens, creditors and other agencies.
- As stated above, the City's combined total net assets increased by \$3,120,592. This is the result of governmental net assets decreasing \$124,911 (0.2%) and the business-type net assets increasing \$3,245,503 (6.0%) during the year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,640,030, a decrease of \$2,294,167 (21.0%) in comparison with the prior year balance of \$10,934,197. Approximately 45.7% of this amount, \$3,944,684, is in unassigned fund balance and the remainder is restricted, committed, or assigned for open contracts, programs, debt, etc. This unassigned fund balance of \$3,944,684 for the general fund is 17.2% of total general fund expenditures.
- The City's total outstanding debt increased by \$327,188 (0.9%) during the current fiscal year. This is primarily the result of issuing additional debt in the Water & Wastewater and Stormwater Utilities. Debt for Governmental Activities decreased \$2,513,482 (15.1%) and debt for Business-type Activities increased \$2,933,008 (13.6%). These changes can be found later in the MD&A in the "Outstanding Debt" table on page A-13, and in the notes to the financial statements concerning long-term liabilities (see Note IV., B., Long-Term Debt).

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City's basic financial statements. The City of Dunedin's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 in this statement for some items that will only result in cash flows during future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, transportation, economic development, and culture and recreation. The business-type activities of the City include solid waste, water/sewer utility, stormwater utility, marina and golf operations.

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 B-2 and B-3 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar

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

The City maintains thirteen 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 and the One Cent Sales Tax Fund, both of which are considered major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages B-4 – B-9 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 and golf operations. *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle maintenance, building maintenance, and self-insurance functions. All three services have been allocated between governmental and business-type activities based on contribution rates within the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on each enterprise activity, all of which are considered to be major funds of the City. Conversely, the three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* on pages D-19 – D-21 of this report.

The basic proprietary fund financial statements can be found on pages B-11 – B-15 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* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages B-16 – B-18 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 C-1 – C-49 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 to its employees. Required supplementary information regarding pension funding can be found on page C-48 – C-49 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. Combining and individual fund statements and schedules can be found on pages D-1 – D-26 of this report.

Government-wide Financial Analysis

As noted earlier, the combined total net assets of the City may serve over time as a useful indicator of a government’s financial position. In the case of the City of Dunedin, assets (at \$173,847,825) exceeded liabilities (at \$47,147,299) by \$126,700,526 as of September 30, 2012, an increase of \$3,120,591 (2.5%) over the prior fiscal year end.

As illustrated in the table below, the largest portion of the City’s net assets (71.1%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, improvements other than buildings, and machinery and equipment), less any related outstanding debt. The City uses these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt are provided from other sources, since the capital assets themselves are not available to pay for these liabilities.

City of Dunedin, Florida						
Net Assets						
September 30, 2011 and 2012						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets:	\$ 16,398,233	\$ 17,538,600	\$ 28,313,289	\$ 23,109,252	\$ 44,711,522	\$ 40,647,852
Capital Assets	70,933,263	71,780,106	58,203,040	55,999,427	129,136,303	127,779,533
Total Assets	87,331,496	89,318,706	86,516,329	79,108,679	173,847,825	168,427,385
Current liabilities	1,952,970	1,591,037	2,859,052	3,196,409	4,812,022	4,787,446
Long-term liabilities outstanding:						
Due within one year	1,766,825	2,090,079	-	344,154	1,766,825	2,434,233
Due in more than one year	14,478,889	16,379,867	26,089,563	21,245,905	40,568,452	37,625,772
Total Liabilities	18,198,684	20,060,983	28,948,615	24,786,468	47,147,299	44,847,451
Net Assets:						
Invested in capital assets, net of related debt	56,781,075	55,114,437	33,259,017	35,573,590	90,040,092	90,688,027
Restricted	3,969,397	3,309,277	1,015,491	8,719,804	4,984,888	12,029,081
Unrestricted	8,382,340	10,834,009	23,293,206	10,028,817	31,675,546	20,862,826
Total net assets	\$ 69,132,812	\$ 69,257,723	\$ 57,567,714	\$ 54,322,211	\$ 126,700,526	\$ 123,579,934

An additional portion of the City's net assets, *restricted net assets* at \$4,984,889 (3.9%) represents resources that are subject to external restrictions on how they may be used, e.g., for debt and capital improvements. These restricted net assets decreased 58.5% or \$7,044,192 during the year.

The remaining balance of *unrestricted net assets* (at \$31,675,546) increased \$10,812,720 (or 51.8%) during the year and are used to meet the City's ongoing obligations to citizens and creditors.

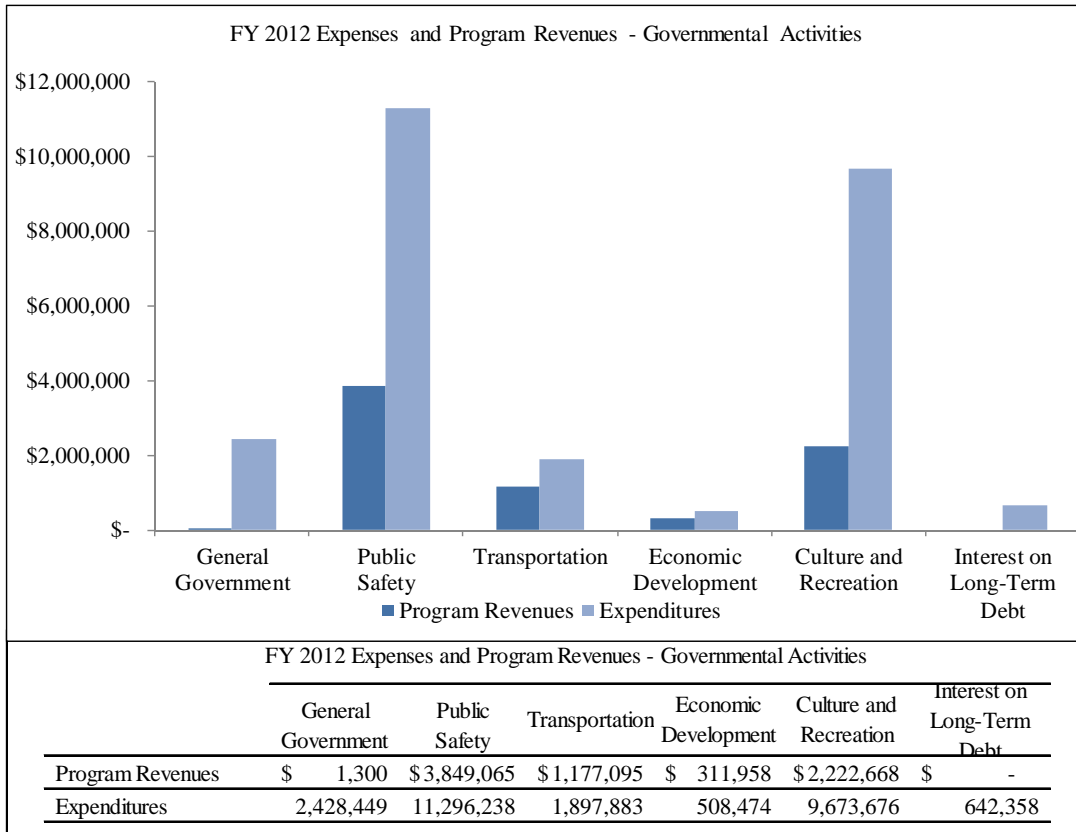
At September 30, 2012, there are positive balances in all three categories of net assets, for both the government as a whole (growing at 2.5%), as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental activities. How the City's net assets changed during the most recent fiscal year is reflected in the statement of activities, a summary of which is shown in the table below. This statement divides the activities between governmental activities and business-type activities. Governmental activities decreased the City's net assets by \$124,911 after transfers. Key elements of this change are as follows:

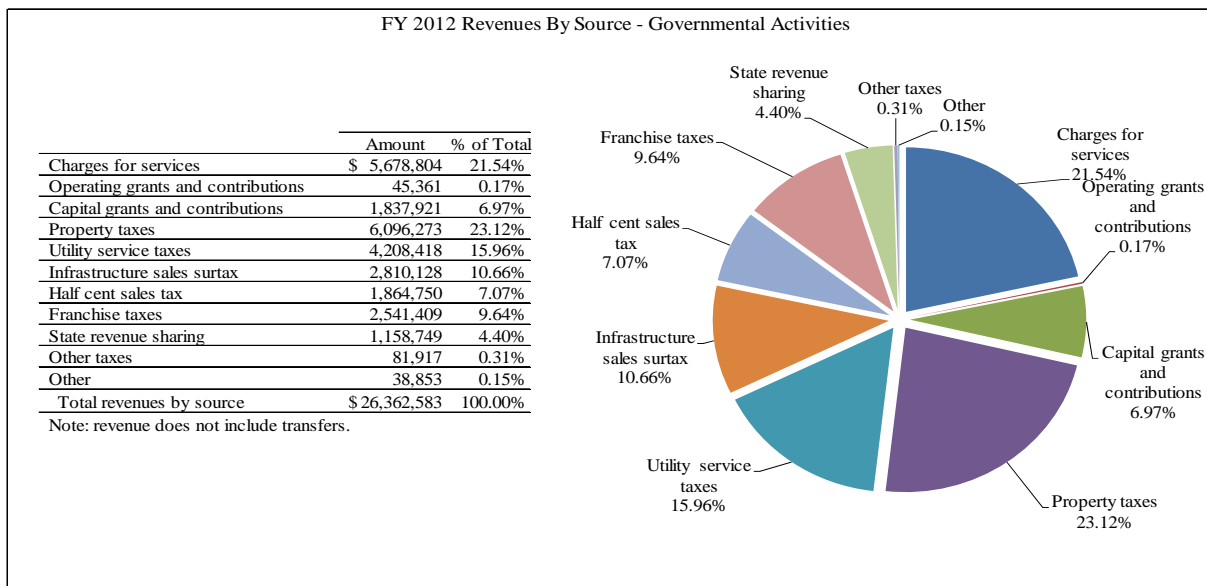
- Total revenues were down \$373,238 (from \$26,735,821 to \$26,362,583). Charges for services increased \$421,743 or 8%, while property and other taxes decreased by a total of \$796,282, or 4.1%, during the year. Property tax revenue decreased by 6.8% from fiscal year 2011.
- Expenses were down for another consecutive year. Total expenses were down \$484,298 (1.8%), after being down \$497,794 in fiscal year 2011.

City of Dunedin, Florida
Changes in Net Assets
September 30, 2011 and 2012

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues						
Charges for services	\$ 5,678,804	\$ 5,257,061	\$ 25,001,343	\$ 23,614,305	\$ 30,680,147	\$ 28,871,366
Operating grants and contributions	45,361	137,880	-	7,113	45,361	144,993
Capital grants and contributions	1,837,921	1,656,723	2,114,029	822,883	3,951,950	2,479,606
General revenues:						
Property taxes	6,096,273	6,540,293	-	-	6,096,273	6,540,293
Other taxes	12,665,371	13,017,633	-	-	12,665,371	13,017,633
Other	38,853	126,231	82,258	78,508	121,111	204,739
Total Revenues	26,362,583	26,735,821	27,197,630	24,522,809	53,560,213	51,258,630
Expenses:						
General government	2,428,449	2,169,100	-	-	2,428,449	2,169,100
Public safety	11,296,237	11,514,839	-	-	11,296,237	11,514,839
Physical environment	-	314,305	-	-	-	314,305
Transportation	1,897,883	2,248,772	-	-	1,897,883	2,248,772
Economic development	508,474	384,451	-	-	508,474	384,451
Culture and recreation	9,673,676	9,599,618	-	-	9,673,676	9,599,618
Interest on long-term debt	642,358	700,290	-	-	642,358	700,290
Solid waste	-	-	4,700,689	4,957,784	4,700,689	4,957,784
Water/Sewer utility	-	-	16,647,088	17,122,361	16,647,088	17,122,361
Stormwater utility	-	-	2,150,716	1,892,990	2,150,716	1,892,990
Marina	-	-	458,798	491,495	458,798	491,495
Golf Course	-	-	35,254	71,010	35,254	71,010
Total Expenses	26,447,077	26,931,375	23,992,545	24,535,640	50,439,622	51,467,015
Increase (decrease) in net assets before transfers	(84,494)	(195,554)	3,205,085	(12,831)	3,120,591	(208,385)
Transfers	(40,416)	(658,074)	40,416	658,074	-	-
Increase (decrease) in net assets	(124,911)	(853,628)	3,245,503	645,243	3,120,591	(208,385)
Net assets as of October 1	69,257,723	67,740,838	54,322,211	53,676,968	123,579,934	121,417,806
Prior Period Adjustment	-	2,370,513	-	-	-	2,370,513
Net assets as of September 30	\$ 69,132,812	\$ 69,257,723	\$ 57,567,714	\$ 54,322,211	\$ 126,700,526	\$ 123,579,934



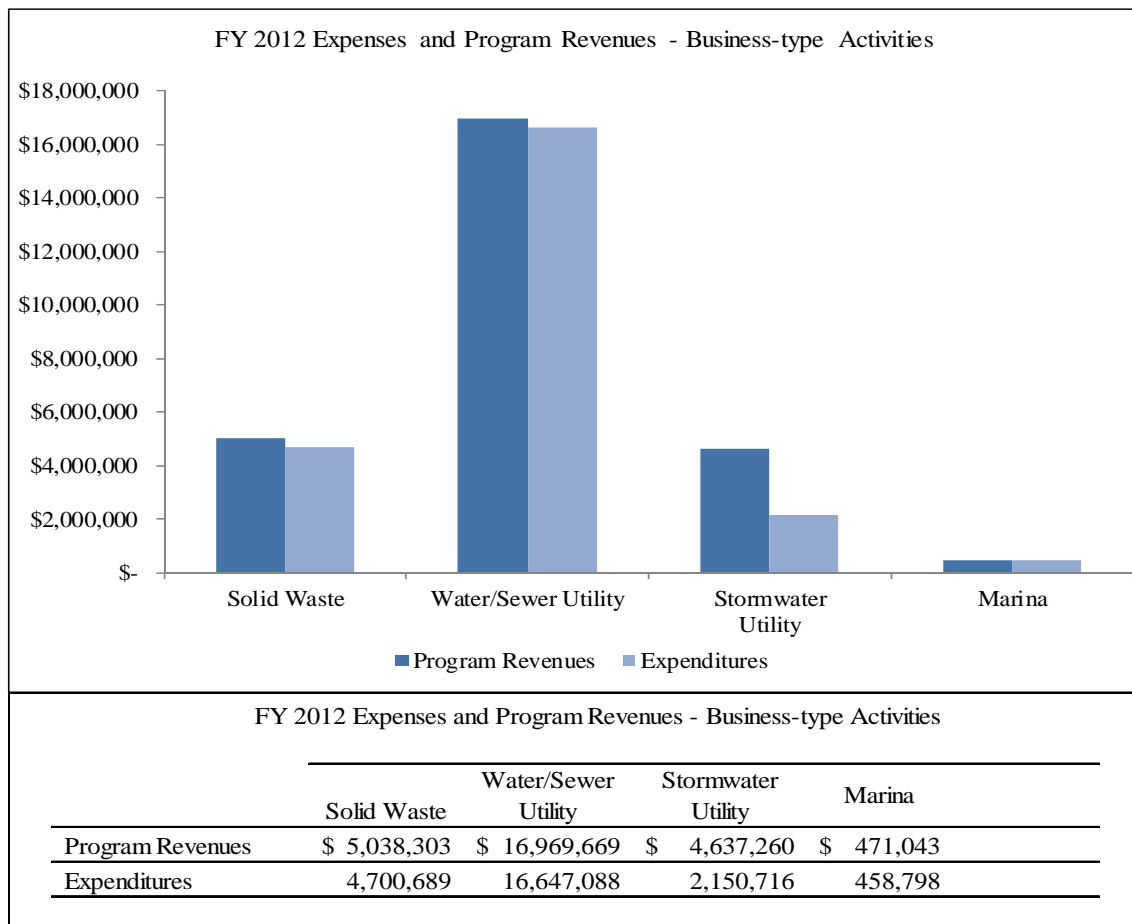
As the bar chart above illustrates, governmental activities do not typically pay for themselves. For example, culture and recreation expenses of \$9,673,676 are offset by \$2,222,668 in revenues. The pie chart below shows that overall, 29% of offsetting revenues for governmental activity expenses come from specific charges for services, operating grants and capital grants and contributions. The remaining 71% of revenue supporting governmental activities comes from property taxes (23%) and other taxes (48%), with the remaining from investment earnings.



Business-type activities. Business type activities increased the City’s net assets by \$3,205,085 before transfers and \$3,245,503 after transfers. Key elements of this increase are as follows:

- Charges for services for business-type activities increased by \$1,387,039 (5.9%).
 - Solid waste operating revenues were up \$35,940, or 0.7% (from \$4,975,022 to \$5,010,962).
 - Water and wastewater utility operating revenues were up \$930,995, or 5.9% (from \$15,895,494 to \$16,826,489).
 - Additionally, stormwater utility revenues increased \$423,361, or 18.6% (from \$2,270,391 to \$2,693,752).
- Operating expenses decreased 2.2%, or \$542,756, from fiscal year 2011.

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



Fund Level Financial Analysis

Governmental funds. As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Included are governmental funds and

proprietary funds. The general fund, one cent sales tax fund, and a variety of special revenue funds are recorded in the *governmental funds*. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,640,030, a decrease of \$2,294,167 in comparison with the prior fiscal year. Approximately 54% of this total amount (\$4,695,346) is non-spendable, restricted, committed, or assigned, leaving \$3,944,684 (46%) unassigned.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,944,684, while total fund balance declined 37.5% to \$4,776,962. As a measure of general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.2% of total general fund expenditures, while total fund balance represents 20.9% of that same amount.

The fund balance of the City's general fund decreased by \$2,870,775 (37.5%) during the current fiscal year.

- The final general fund budget reflected an anticipated deficit of \$43,987 (before transfers). Actual revenues fell short of budgeted revenues by \$889,824, while actual expenditures were \$516,010 under budget, increasing the anticipated deficit to \$373,814.
- Most notably on the revenue side, charges for services revenues were stronger than expected, coming in at \$262,019 more than budgeted, while franchise fees and utility service taxes were well short of expectations, coming in at \$508,236 and \$633,521 less than budgeted respectively. On the expenditure side, public safety and general government were under budget by \$343,202 and \$286,208 respectively.
- Revenues, at \$22,461,238, declined \$741,367 compared to fiscal year 2011 (at \$23,202,605). Most notably, property tax revenues at \$5,723,400 were down \$403,179 compared to the prior year.

The one-cent sales tax fund has a total fund balance of \$1,086,008, all of which is restricted. The net increase in fund balance during the current year in the one-cent sales tax fund was \$790,204.

- The revenues from the current fiscal year were \$2,811,003 while the expenditures were \$1,257,380. Of this total amount, \$958,016 (76.2%) was spent on debt service.
- Revenues came in over final budgeted amounts by \$110,503, as revenues increased \$118,130 (4.4%) compared to fiscal year 2011.
- Expenditures decreased \$757,194 compared to fiscal year 2011 and were \$328,991 under final budgeted amounts.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. These funds include the water and wastewater, solid waste, stormwater, and marina enterprise funds, along with the fleet and self-insurance internal service funds.

- In the water/wastewater fund, the change in net assets before contributions and transfers was a decrease of \$47,658, a \$1,118,824 improvement compared to the prior year. Operating revenues increased \$930,995 while expenses also decreased \$772,573.
- In the solid waste fund, the change in net assets before contributions and transfers was \$96,639, an \$11,023 increase over the prior year as operating revenues increased \$35,940 and operating expenses increased by \$20,932.
- In the stormwater fund, the change in net assets before contributions and transfers was \$508,884, a \$105,627 increase over the prior year as operating revenues increased by \$423,361 and operating expenses increased \$214,028.
- Unrestricted net assets of the water/sewer utility amounted to \$14,719,179, for the solid waste fund \$1,307,919, and for the stormwater utility \$3,331,287. The total change in assets for these three major funds (water/sewer, solid waste, and stormwater) was \$41,740, \$98,980, and \$2,569,613, respectively. Other factors concerning the finances of those funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$145,173 (increase in appropriations) and can be summarized as follows:

- \$20,208 increases allocated to general government (Finance and Administration).
- \$78,840 increases allocated to public safety.
- \$33,703 decrease in culture and recreation.
- \$82,828 increase in capital outlay.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its government and business-type activities as of September 30, 2012, amounts to \$129,136,303 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net increase in the City's investment in capital assets for the current fiscal year was 1.1% (a 1.2% decrease for governmental activities and a 3.9% increase for business-type activities).

City of Dunedin, FL Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 19,734,294	\$ 19,422,841	\$ 1,628,896	\$ 1,628,896	\$ 21,363,190	\$ 21,051,737
Buildings	23,065,849	23,807,596	1,218,513	1,963,264	24,284,362	25,770,860
Infrastructure	5,946,696	5,841,292	-	-	5,946,696	5,841,292
Improvements other than Building	16,015,947	16,553,176	54,053,344	47,896,964	70,069,291	64,450,140
Machinery and Equipment	5,757,150	5,995,424	1,060,302	1,120,169	6,817,452	7,115,593
Construction in Progress	413,327	159,777	241,985	3,390,134	655,312	3,549,911
Total Capital Assets	\$ 70,933,263	\$ 71,780,106	\$ 58,203,040	\$ 55,999,427	\$ 129,136,303	\$ 127,779,533

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$37,928,187. Of this amount, \$1,085,706 comprises capital leases and \$36,842,481 of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds).

City of Dunedin, FL Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Capital leases	\$ 1,085,706	\$ 2,174,240	\$ -	\$ -	\$ 1,085,706	\$ 2,174,240
Special Assessment debt with governmental commitment	-	-	-	92,337	-	92,337
Revenue bonds	13,066,481	14,491,429	23,776,000	20,842,993	36,842,481	35,334,422
Total Liabilities	\$ 14,152,187	\$ 16,665,669	\$ 23,776,000	\$ 20,935,330	\$ 37,928,187	\$ 37,600,999

The City's total outstanding debt increased by \$327,188 during the current fiscal year. The City borrowed \$23,776,000 during the year and used these borrowings to refund earlier issuances and to obtain cash for capital projects. As part of the refunding process, the City received credit ratings as shown in the table below.

City of Dunedin Credit Ratings

	Fitch	Moody's	Standard & Poors
City's Issuer or GO Rating	-	Aa2	AA-
Sales Tax Revenue Bonds, Series 2005	-	A1	
Water and Wastewater Utility Revenue Bonds, 2012	-	A1, Stable	AA-, Stable
Stormwater Utility Revenue Bank Note, 2012	AA-	AA3	AA

Additional information on the City's long-term debt can be found in Note IV.B on pages C-24 to C-33 of this report.

Economic Factors and Next Year's Budgets and Rates

- At the end of the fiscal year, the unemployment rate for the City of Dunedin was 8.0%, which is lower than the rate of 10.3% a year ago, below the national average rate of 8.1%, and below the state's average unemployment rate of 8.7%.
- A 2.25% decrease in taxable property valuation is budgeted for FY 2013. At the same time, the property tax millage rate will remain the same at 3.3817 mills in FY 2013.
- Stormwater rates in the enterprise fund will increase 5.7% (from \$8.80/month to \$9.30/month) in FY 2013 to provide capital funding for the implementation of the Master Drainage Plan.
- The occupancy rate of the City's downtown has remained high in the downtown area, with minimal vacancies.
- The City is substantially built out and thereby minimizes any major growth impacts.
- The City is largely residential, at approximately 82% of assessed value.

All of these factors were considered in preparing the City's budget for the 2013 fiscal year.

Requests for Information

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

Basic Financial Statements

City of Dunedin, Florida
Statement of Net Assets
September 30, 2012

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash, cash equivalents, and investments	\$ 15,777,260	\$ 15,284,267	\$ 31,061,527
Receivables, net of allowance for doubtful accounts	58,635	3,722,530	3,781,165
Internal balances	(2,121,194)	2,121,194	-
Due from other governments	2,109,582	788,150	2,897,732
Inventories	103,835	726,936	830,771
Prepaid items	51,554	856	52,410
Deposits	100,500	150	100,650
Restricted assets:			
Cash and cash equivalents	-	2,409,094	2,409,094
Charges receivable	-	2,653,932	2,653,932
Deferred charges	-	606,180	606,180
Net Pension Assets	318,061	-	318,061
Capital assets, net of accumulated depreciation			
Land	19,734,294	1,628,896	21,363,190
Buildings	23,065,849	1,218,513	24,284,362
Infrastructure	5,946,696	-	5,946,696
Improvements other than buildings	16,015,947	54,053,344	70,069,291
Machinery and equipment	5,757,150	1,060,302	6,817,452
Construction in progress	413,327	241,985	655,312
Total assets	<u>87,331,496</u>	<u>86,516,329</u>	<u>173,847,825</u>
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	1,604,056	1,200,457	2,804,513
Accrued interest payable	206,347	264,991	471,338
Unearned revenue	125,556	-	125,556
Due to other governments	17,011	-	17,011
Liabilities payable from restricted assets	-	1,393,603	1,393,603
Noncurrent liabilities:			
Due within one year	1,766,825	-	1,766,825
Due in more than one year	14,478,889	26,089,564	40,568,453
Total liabilities	<u>18,198,684</u>	<u>28,948,615</u>	<u>47,147,299</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	56,781,075	33,259,017	90,040,091
Restricted for:			
Public programs	58,232	-	58,232
Capital projects	3,229,106	1,015,491	4,244,597
Debt Service	112,712	-	112,712
Other	569,348	-	569,348
Perpetual care	-	-	-
Unrestricted	8,382,340	23,293,206	31,675,546
Total net assets	<u>\$ 69,132,812</u>	<u>\$ 57,567,714</u>	<u>\$ 126,700,526</u>

City of Dunedin, Florida
Statement of Activities
For the Fiscal Year Ended September 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities		Total
						Governmental Activities	Business-type Activities	
Governmental activities:								
General government	\$ 2,428,449	\$ -	\$ 1,300	\$ -	\$ (2,427,149)	\$ -	\$ -	\$ (2,427,149)
Public safety	11,296,238	3,358,410	2,500	488,155	(7,447,173)	-	-	(7,447,173)
Physical environment	-	-	-	-	-	-	-	-
Transportation	1,897,883	-	3,216	1,173,879	(720,788)	-	-	(720,788)
Economic development	508,474	129,946	6,125	175,887	(196,516)	-	-	(196,516)
Culture and recreation	9,673,676	2,190,448	32,220	-	(7,451,008)	-	-	(7,451,008)
Interest on long-term debt	642,358	-	-	-	(642,358)	-	-	(642,358)
Total governmental activities	26,447,077	5,678,804	45,361	1,837,921	(18,884,991)	-	-	(18,884,991)
Business-type activities:								
Solid waste	4,700,689	5,010,962	-	27,341	-	337,614	-	337,614
Water/Sewer utility	16,647,088	16,826,489	-	143,180	-	322,581	-	322,581
Stormwater utility	2,150,715	2,693,752	-	1,943,508	-	2,486,545	-	2,486,545
Marina	458,798	471,043	-	-	-	12,245	-	12,245
Golf course	35,254	(903)	-	-	-	(36,157)	-	(36,157)
Total business-type activities	23,992,544	25,001,343	-	2,114,029	-	3,122,828	-	3,122,828
Total primary government	\$ 50,439,621	\$ 30,680,147	\$ 45,361	\$ 3,951,950	(18,884,991)	3,122,828	-	(15,762,163)
General Revenues:								
Property taxes					6,096,273	-	-	6,096,273
Utility service taxes					4,208,418	-	-	4,208,418
Intergovernmental revenues:								
Infrastructure sales surtax					2,810,128	-	-	2,810,128
Half cent sales tax					1,864,750	-	-	1,864,750
Franchise taxes					2,541,409	-	-	2,541,409
State revenue sharing					1,158,749	-	-	1,158,749
Other taxes					81,917	-	-	81,917
Unrestricted investment earnings / (loss)					76,561	77,763	-	154,324
Gain (loss) on sale of capital assets					(37,708)	4,495	-	(33,213)
Transfers					(40,416)	40,416	-	-
Total general revenues and transfers					18,760,081	122,674	-	18,882,755
Change in net assets					(124,911)	3,245,503	-	3,120,592
Net Assets - beginning					69,257,723	54,322,211	-	123,579,934
Net Assets - ending					\$ 69,132,812	\$ 57,567,714	\$ -	\$ 126,700,526

City of Dunedin, Florida
Balance Sheet for Governmental Funds
September 30, 2012

	<u>General Fund</u>	<u>One Cent Sales Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash, cash equivalents, and investments	\$ 4,172,035	\$ 767,844	\$ 2,972,573	\$ 7,912,452
Accounts receivable, net of allowance for doubtful accounts	34,822	-	11,140	45,962
Due from other governments	1,460,969	446,267	202,345	2,109,581
Inventories	3,142	-	-	3,142
Prepaid items	19,528	-	-	19,528
Deposits	-	-	500	500
Total assets	<u>\$ 5,690,496</u>	<u>\$ 1,214,111</u>	<u>\$ 3,186,558</u>	<u>\$ 10,091,165</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 349,978	\$ 98,942	\$ 293,325	\$ 742,245
Contracts payable	-	29,161	57,054	86,215
Accrued salaries payable	413,426	-	7,596	421,022
Accrued expenses	1,011	-	36,195	37,206
Deposits payable	900	-	4,112	5,012
Deferred revenue	125,556	-	-	125,556
Internal balances	-	-	11,216	11,216
Due to other governments	17,011	-	-	17,011
Other current liabilities	5,652	-	-	5,652
Total liabilities	<u>913,534</u>	<u>128,103</u>	<u>409,498</u>	<u>1,451,135</u>
Fund Balances:				
Nonspendable	22,670	-	-	22,670
Restricted	567,305	1,086,008	2,293,415	3,946,728
Committed	-	-	483,645	483,645
Assigned	242,303	-	-	242,303
Unassigned	3,944,684	-	-	3,944,684
Total fund balances	<u>4,776,962</u>	<u>1,086,008</u>	<u>2,777,060</u>	<u>8,640,030</u>
Total liabilities and fund balances	<u>\$ 5,690,496</u>	<u>\$ 1,214,111</u>	<u>\$ 3,186,558</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	64,139,270
Net pension asset resulting from the effect of contributing more than the annual required actuarial contribution	318,061
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 assets.	10,724,848
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(14,689,397)
Net assets of governmental activities	<u>\$ 69,132,812</u>

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City of Dunedin, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2012

	<u>General Fund</u>	<u>One Cent Sales Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Taxes:				
Property	\$ 5,723,400	\$ -	\$ 372,873	\$ 6,096,273
Franchise	2,541,409	-	-	2,541,409
Utility service	4,208,418	-	-	4,208,418
Licenses and permits	971,988	-	-	971,988
Intergovernmental	3,105,416	2,810,128	1,603,701	7,519,245
Charges for services	5,293,343	-	328,388	5,621,731
Fines	178,739	-	-	178,739
Investment earnings / (loss)	31,137	875	15,466	47,478
Rents	295,719	-	-	295,719
Contributions and donations	31,839	-	42,700	74,539
Other revenue	79,830	-	142,710	222,540
Total revenues	<u>22,461,238</u>	<u>2,811,003</u>	<u>2,505,838</u>	<u>27,778,079</u>
<u>EXPENDITURES</u>				
Current:				
General government	2,842,188	29,690	103,761	2,975,639
Public safety	11,182,563	-	-	11,182,563
Transportation	1,541,820	-	1,804	1,543,624
Economic development	-	-	445,600	445,600
Culture and recreation	6,822,385	5,480	900,383	7,728,248
Debt service:				
Principal	-	647,033	777,895	1,424,928
Interest	-	310,983	299,187	610,170
Capital outlay:				
General government	18,088	91,765	147,834	257,687
Public safety	63,721	-	10,995	74,716
Transportation	-	172,429	462,241	634,670
Economic development	-	-	492,234	492,234
Culture and recreation	260,099	-	756,878	1,016,977
Aids and grants	148,175	-	38,154	186,329
Total expenditures	<u>22,879,039</u>	<u>1,257,380</u>	<u>4,436,966</u>	<u>28,573,386</u>
Excess of revenues over (under) expenditures	<u>(417,801)</u>	<u>1,553,623</u>	<u>(1,931,128)</u>	<u>(795,307)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	504,124	463,282	2,290,886	3,258,292
Transfers out	(2,957,097)	(1,226,701)	(573,354)	(4,757,152)
Total other financing sources (uses)	<u>(2,452,973)</u>	<u>(763,419)</u>	<u>1,717,532</u>	<u>(1,498,860)</u>
Net change in fund balances	(2,870,775)	790,204	(213,596)	(2,294,167)
Fund balances - beginning	<u>7,647,737</u>	<u>295,804</u>	<u>2,990,656</u>	<u>10,934,197</u>
Fund balances - ending	<u>\$ 4,776,962</u>	<u>\$ 1,086,008</u>	<u>\$ 2,777,060</u>	<u>\$ 8,640,030</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 Fiscal Year Ended September 30, 2012

Net change in fund balances - total governmental funds (page B-6) \$ (2,294,167)

Amounts reported for governmental activities in the statement of activities (page B-3) are different because:

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

Expenditures for capital assets	2,159,984	
Less current year depreciation	<u>(3,381,258)</u>	(1,221,274)

Contribution of property in the CRA fund		175,887
Loss on disposal of capital assets - Governmental Funds		(74,401)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Reductions to long-term debt		
Principal payments	<u>1,424,928</u>	1,424,928

Pension contributions more than the annual pension costs increase the net pension asset on the statement of net assets		5,423
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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	(31,063)	
Change in accrued interest expense	<u>12,486</u>	(18,577)

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.		1,877,270
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Change in net assets of governmental activities (page B-3)		<u><u>\$ (124,911)</u></u>
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City of Dunedin, Florida
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes:				
Property	\$ 5,771,692	\$ 5,771,692	\$ 5,723,400	\$ (48,292)
Franchise	3,049,645	3,049,645	2,541,409	(508,236)
Utility service	4,841,939	4,841,939	4,208,418	(633,521)
Licenses and permits	853,498	853,498	971,988	118,490
Intergovernmental	3,177,261	3,177,261	3,105,416	(71,845)
Charges for services	5,029,824	5,031,324	5,293,343	262,019
Fines	190,203	190,203	178,739	(11,464)
Investment earnings / (loss)	4,000	4,000	31,137	27,137
Rents	272,000	272,000	295,719	23,719
Contributions and donations	13,000	14,500	31,839	17,339
Other revenue	145,000	145,000	79,830	(65,170)
Total revenues	<u>23,348,062</u>	<u>23,351,062</u>	<u>22,461,238</u>	<u>(889,824)</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
City commission	208,096	208,096	174,333	33,763
City manager	508,256	508,256	490,368	17,888
Legal	255,290	255,290	151,555	103,735
City clerk	371,375	371,483	365,493	5,990
Finance	980,945	999,445	886,722	112,723
Administration	784,226	785,826	773,717	12,109
Total general government	<u>3,108,188</u>	<u>3,128,396</u>	<u>2,842,188</u>	<u>286,208</u>
Public safety:				
Law enforcement	3,948,622	3,948,622	3,927,301	21,321
Fire control	6,281,733	6,337,258	6,046,897	290,361
Planning and Development	1,217,077	1,240,392	1,208,365	32,027
Total public safety	<u>11,447,432</u>	<u>11,526,272</u>	<u>11,182,563</u>	<u>343,709</u>
Transportation:				
Streets / Traffic	1,611,495	1,611,495	1,541,820	69,675
Total transportation	<u>1,611,495</u>	<u>1,611,495</u>	<u>1,541,820</u>	<u>69,675</u>
Culture and recreation:				
Library	1,343,387	1,342,087	1,338,670	3,417
Parks and Recreation administration	467,292	467,742	476,688	(8,946)
Recreation	2,841,638	2,806,306	2,699,664	106,642
Parks	1,879,010	1,881,489	2,212,223	(330,734)
Dunedin Historical Society	24,871	24,871	25,500	(629)
Dunedin Fine Arts Center	69,579	69,579	69,640	(61)
Total culture and recreation	<u>6,625,777</u>	<u>6,592,074</u>	<u>6,822,385</u>	<u>(230,311)</u>
Capital Outlay				
General Government	14,995	24,435	18,088	6,347
Public Safety	43,000	81,510	63,721	17,789
Culture and Recreation	226,505	261,383	260,099	1,284
Total Capital Outlay	<u>284,500</u>	<u>367,328</u>	<u>341,908</u>	<u>25,420</u>
Aids and grants	169,484	169,484	148,175	21,309
Total expenditures	<u>23,246,876</u>	<u>23,395,049</u>	<u>22,879,039</u>	<u>516,010</u>
Excess of revenues over (under) expenditures	<u>101,186</u>	<u>(43,987)</u>	<u>(417,801)</u>	<u>(373,814)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	320,634	532,134	504,124	(28,010)
Transfers out	(2,393,506)	(3,113,012)	(2,957,097)	155,915
Total other financing uses	<u>(2,072,872)</u>	<u>(2,580,878)</u>	<u>(2,452,973)</u>	<u>127,905</u>
Net change in fund balances	(1,971,686)	(2,624,865)	(2,870,775)	(245,910)
Fund balances - beginning	6,780,413	9,747,967	7,647,737	(2,100,230)
Fund balances - ending	<u>\$ 4,808,727</u>	<u>\$ 7,123,102</u>	<u>\$ 4,776,962</u>	<u>\$ (2,346,140)</u>

City of Dunedin, Florida
One Cent Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Infrastructure sales surtax	\$ 3,399,000	\$ 2,700,000	\$ 2,810,128	\$ 110,128
Miscellaneous revenues:				
Investment earnings / (loss)	4,002	500	875	375
Total revenues	<u>3,403,002</u>	<u>2,700,500</u>	<u>2,811,003</u>	<u>110,503</u>
<u>EXPENDITURES</u>				
General Government	-	-	29,690	(29,690)
Culture and Recreation	-	-	5,000	(5,000)
Capital projects:				
Transportation	-	435,071	172,429	262,642
Economic environment	1,091,895	-	91,765	(91,765)
Culture and recreation	-	110,000	480	109,520
Debt service				
Principal	731,408	731,408	647,033	84,375
Interest	309,892	309,892	310,983	(1,091)
Total expenditures	<u>2,133,195</u>	<u>1,586,371</u>	<u>1,257,380</u>	<u>328,991</u>
Excess of revenues over expenditures	<u>1,269,807</u>	<u>1,114,129</u>	<u>1,553,623</u>	<u>439,494</u>
<u>OTHER FINANCING SOURCES / (USES)</u>				
Transfers in	-	233,782	463,282	229,500
Transfers out	(1,349,898)	(1,226,701)	(1,226,701)	-
Total other financing uses	<u>(1,349,898)</u>	<u>(992,919)</u>	<u>(763,419)</u>	<u>229,500</u>
Net change in fund balances	(80,091)	121,210	790,204	668,994
Fund balances - beginning	<u>585,384</u>	<u>585,384</u>	<u>295,804</u>	<u>(289,580)</u>
Fund balances - ending	<u>\$ 505,293</u>	<u>\$ 706,594</u>	<u>\$ 1,086,008</u>	<u>\$ 379,414</u>

“Dedicated To Quality Service”



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City of Dunedin, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2012

	Business-type Activities - Enterprise Funds						Total	Internal Service Funds
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total		
ASSETS								
Current assets:								
Cash, cash equivalents, and investments	\$ 1,043,184	\$ 10,629,307	\$ 2,442,310	\$ 1,169,409	\$ 57	\$ 15,284,267	\$ 7,864,808	
Accounts receivable, net of allowance for uncollectibles	268,767	695,673	267,528	6,067	-	1,238,035	12,673	
Accounts receivable - unbilled	363,489	1,749,223	288,200	-	-	2,400,912	-	
Assessments/liens receivable, net of allowance for uncollectibles	16,865	66,718	-	-	-	83,583	-	
Charges receivable-capital recovery	-	252,212	-	-	-	252,212	-	
Due from other governments	-	86,768	701,382	-	-	788,150	-	
Advances to other funds	-	-	-	-	-	-	663,784	
Inventories	-	726,936	-	-	-	726,936	100,693	
Prepaid items	-	856	-	-	-	856	32,028	
Deposits	-	-	-	-	150	150	100,000	
Total current assets	<u>1,692,305</u>	<u>14,207,693</u>	<u>3,699,420</u>	<u>1,175,476</u>	<u>207</u>	<u>20,775,101</u>	<u>8,773,986</u>	
Noncurrent assets:								
Restricted cash, cash equivalents, and investments:								
Customer deposits	-	1,335,764	-	57,839	-	1,393,603	-	
Impact fees	-	1,015,491	-	-	-	1,015,491	-	
Charges receivable-capital recovery	-	2,653,932	-	-	-	2,653,932	-	
Total restricted assets	-	<u>5,005,187</u>	-	<u>57,839</u>	-	<u>5,063,026</u>	-	
Deferred charges	-	248,645	105,323	-	-	353,968	-	
Capital assets:								
Land	-	305,364	250,000	-	1,073,532	1,628,896	-	
Buildings	333,053	15,878,895	2,000	90,599	167,338	16,471,885	3,672,328	
Improvements other than buildings	54,314	99,555,319	20,675,918	2,283,137	291,651	122,860,339	4,744	
Machinery and equipment	802,667	1,921,081	490,466	7,591	12,929	3,234,734	12,533,662	
Construction in progress	-	241,985	-	-	-	241,985	-	
Less accumulated depreciation	(954,984)	(78,377,953)	(4,655,955)	(1,961,897)	(284,010)	(86,234,799)	(9,416,741)	
Total capital assets, net of accumulated depreciation	<u>235,050</u>	<u>39,524,691</u>	<u>16,762,429</u>	<u>419,430</u>	<u>1,261,440</u>	<u>58,203,040</u>	<u>6,793,993</u>	
Total noncurrent assets	<u>235,050</u>	<u>44,778,523</u>	<u>16,867,752</u>	<u>477,269</u>	<u>1,261,440</u>	<u>63,620,034</u>	<u>6,793,993</u>	
Total assets	<u>\$ 1,927,355</u>	<u>\$ 58,986,216</u>	<u>\$ 20,567,172</u>	<u>\$ 1,652,745</u>	<u>\$ 1,261,647</u>	<u>\$ 84,395,135</u>	<u>\$ 15,567,979</u>	

City of Dunedin, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2012
(continued)

	Business-type Activities - Enterprise Funds						Internal Service Funds
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total	
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 91,069	\$ 388,489	\$ 89,263	\$ 5,200	-	\$ 574,021	\$ 185,499
Contracts payable	-	104,894	224,581	-	-	329,475	-
Accrued salaries payable	51,813	188,743	23,377	5,783	-	269,716	46,829
Accrued expenses	-	24,705	-	2,540	-	27,245	63,161
Accrued interest payable	-	193,118	71,873	-	-	264,991	37,106
Capital leases payable - current	-	-	-	-	-	-	399,619
Interfund loan current	-	50,000	-	-	-	50,000	-
Total current liabilities	142,882	949,949	409,094	13,523	-	1,515,448	732,214
Current liabilities payable from restricted assets:							
Customer deposits payable	-	1,291,401	-	-	-	1,291,401	-
Deposits payable	-	44,363	-	57,839	-	102,202	-
Total current liabilities payable from restricted assets	-	1,335,764	-	57,839	-	1,393,603	-
Total Current Liabilities	142,882	2,285,713	409,094	71,362	-	2,909,051	732,214
Noncurrent liabilities:							
Revenue bonds payable, net of amortized discounts and deferred amount on refunding	-	17,624,761	7,319,262	-	-	24,944,023	-
Capital leases payable	-	-	-	-	-	-	686,087
Compensated absences	219,907	737,556	54,667	9,643	-	1,021,773	254,876
OPEB liability	21,597	89,802	9,694	2,674	-	123,767	21,603
Interfund loan	-	613,784	-	-	-	613,784	-
Claims liabilities	-	-	-	-	-	-	363,373
Total noncurrent liabilities	241,504	19,065,903	7,383,623	12,317	-	26,703,347	1,325,939
Total liabilities	384,386	21,351,616	7,792,717	83,679	-	29,612,398	2,058,153
NET ASSETS							
Invested in capital assets, net of related debt	235,050	21,899,930	9,443,167	419,430	1,261,440	33,259,017	5,708,287
Restricted for capital assets							
Unrestricted	1,307,919	1,015,491	-	-	-	1,015,491	-
Total net assets	\$ 1,542,969	\$ 14,719,179	\$ 3,331,288	\$ 1,149,636	\$ 207	\$ 20,508,229	\$ 7,801,539
		\$ 37,634,600	\$ 12,774,455	\$ 1,569,066	\$ 1,261,647	\$ 54,782,737	\$ 13,509,826
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						2,784,977	
Net assets of business-type activities (page B-2)						\$ 57,567,714	

City of Duneedin, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds						Internal Service Funds
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total	
Operating revenues:							
Charges for services	\$ 4,887,701	\$ 16,675,523	\$ 2,666,762	\$ 470,626	\$ (710)	\$ 24,699,902	\$ 9,754,429
Other operating revenue	123,261	150,966	26,990	417	(193)	301,441	106,674
Total operating revenues	<u>5,010,962</u>	<u>16,826,489</u>	<u>2,693,752</u>	<u>471,043</u>	<u>(903)</u>	<u>25,001,343</u>	<u>9,861,103</u>
Operating expenses:							
Personal services	1,442,594	6,085,911	645,001	172,777	(440)	8,345,843	1,459,505
Supplies and services	3,447,507	4,839,913	653,021	122,704	10	9,063,155	6,244,527
Depreciation	32,033	4,696,866	750,642	177,887	35,682	5,693,110	1,209,041
Total operating expenses	<u>4,922,134</u>	<u>15,622,690</u>	<u>2,048,664</u>	<u>473,368</u>	<u>35,252</u>	<u>23,102,108</u>	<u>8,913,073</u>
Operating income (loss)	<u>88,828</u>	<u>1,203,799</u>	<u>645,088</u>	<u>(2,325)</u>	<u>(36,155)</u>	<u>1,899,235</u>	<u>948,030</u>
Nonoperating revenues (expenses):							
Investment earnings	7,811	50,509	13,416	6,027	-	77,763	42,576
Loss on early extinguishment of debt	-	(536,660)	(16,327)	-	-	(552,987)	-
Interest/amortization	-	(767,953)	(133,292)	-	-	(901,245)	(44,674)
Gain (loss) on disposal of capital assets	-	2,647	-	1,848	-	4,495	36,693
Total nonoperating revenues (expenses)	<u>7,811</u>	<u>(1,251,457)</u>	<u>(136,203)</u>	<u>7,875</u>	<u>-</u>	<u>(1,371,974)</u>	<u>34,595</u>
Income before contributions and transfers	96,639	(47,658)	508,885	5,550	(36,155)	527,261	982,625
Contributions	27,341	143,180	1,943,508	-	-	2,114,029	-
Transfers in	-	200,000	200,000	-	41,237	241,237	1,779,678
Transfers out	(25,000)	(53,782)	(82,779)	-	(39,260)	(200,821)	(321,234)
Change in net assets	98,980	41,740	2,569,614	5,550	(34,178)	2,681,706	2,441,069
Total net assets - beginning	1,443,989	37,592,860	10,204,841	1,563,516	1,295,825	11,068,757	11,068,757
Total net assets - ending	<u>\$ 1,542,969</u>	<u>\$ 37,634,600</u>	<u>\$ 12,774,455</u>	<u>\$ 1,569,066</u>	<u>\$ 1,261,647</u>	<u>\$ 13,509,826</u>	<u>\$ 13,509,826</u>

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

563,797

Change in net assets of business-type activities (page B-3)

\$ 3,245,503

City of Duneedin, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds							Internal Service Funds
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total		
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 4,773,333	\$ 16,488,099	\$ 2,295,406	\$ 478,396	\$ 10	\$ 24,035,244	\$ 9,801,743	
Payments to suppliers	(3,483,162)	(4,754,692)	(900,668)	(124,374)	(1,740)	(9,264,636)	(6,144,286)	
Payments to employees	(1,440,272)	(6,595,192)	(680,344)	(171,668)	-	(8,887,476)	(1,343,576)	
Other operating revenues	123,261	150,966	26,990	417	(193)	301,441	106,674	
Net cash provided by (used in) operating activities	(26,840)	5,289,181	741,384	182,771	(1,923)	6,184,573	2,420,555	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers in	-	-	200,000	-	41,237	241,237	1,779,678	
Transfers out	(25,000)	(53,782)	(82,779)	-	(39,260)	(200,821)	(321,234)	
Advances from other funds	-	713,784	-	-	-	713,784	(663,784)	
Payments on advances from other funds	-	(50,000)	-	-	-	(50,000)	-	
Net cash provided by (used in) noncapital financing activities	(25,000)	610,002	117,221	-	1,977	704,200	794,660	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Purchase of capital assets	(56,214)	(1,989,352)	(5,675,129)	(108,077)	-	(7,828,772)	(1,482,008)	
Proceeds of capital debt	-	17,753,538	7,233,105	-	-	24,986,643	-	
Principal paid on capital debt	-	(16,750,435)	(4,092,558)	-	-	(20,842,993)	(1,088,534)	
Interest paid on capital debt	-	(667,761)	(128,183)	-	-	(795,944)	(65,317)	
Payment of debt issuance costs	-	(482,278)	-	-	-	(482,278)	-	
Proceeds from sale of capital assets	-	68,571	-	1,848	-	70,419	36,693	
Proceeds from capital contributions	27,341	143,180	1,943,508	-	-	2,114,029	-	
Net cash provided by (used in) capital and related financing activities	(28,873)	(1,924,537)	(719,257)	(106,229)	-	(2,778,896)	(2,599,166)	
CASH FLOWS FROM INVESTING ACTIVITIES								
Investment earnings received	7,811	54,828	13,416	6,027	-	82,082	42,576	
Net cash provided by investing activities	7,811	54,828	13,416	6,027	-	82,082	42,576	
Net increase (decrease) in cash and cash equivalents	(72,902)	4,029,474	152,764	82,569	54	4,191,959	658,625	
Cash and cash equivalents - October 1	1,116,086	8,951,088	2,289,546	1,144,679	3	13,501,402	7,206,183	
Cash and cash equivalents - September 30	\$ 1,043,184	\$ 12,980,562	\$ 2,442,310	\$ 1,227,248	\$ 57	\$ 17,693,361	\$ 7,864,808	
CLASSIFIED AS:								
Cash and cash equivalents	\$ 1,043,184	\$ 10,629,307	\$ 2,442,310	\$ 1,169,409	\$ 57	\$ 15,284,267	\$ 7,864,808	
Restricted cash and cash equivalents	-	2,351,255	-	57,839	-	2,409,094	-	
Total cash and cash equivalents	\$ 1,043,184	\$ 12,980,562	\$ 2,442,310	\$ 1,227,248	\$ 57	\$ 17,693,361	\$ 7,864,808	

The accompanying notes are an integral part of these financial statements.

City of Dunedin, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds						Internal Service Funds
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total	
	\$ 88,828	\$ 1,203,799	\$ 645,088	\$ (2,325)	\$ (36,155)	\$ 1,899,235	\$ 948,030
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	32,033	4,696,866	750,642	177,887	35,682	5,693,110	1,209,041
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	(114,368)	(159,618)	(101,866)	3,985	719	(371,148)	47,314
(Increase) decrease in	-	50,011	-	-	-	50,011	12,265
Accounts receivable	-	(71,110)	(269,490)	-	-	(340,600)	-
Inventories	-	1,747	25	-	-	1,772	(32,028)
Due from other governments	-	11,010	8,983	-	-	19,993	-
Prepaid items	(35,655)	22,453	(256,656)	(1,670)	(1,730)	(273,258)	(73,636)
Deferred charges	2,691	(526,842)	(1,019)	-	-	(525,170)	51,382
Increase (decrease) in	-	43,304	-	3,785	-	47,089	-
Accounts payable	-	-	-	-	-	-	219,981
Accrued expenses	(369)	17,561	(34,324)	1,109	(439)	(16,462)	38,206
Deposits	-	4,085,382	96,295	185,096	34,232	4,285,337	1,472,525
Claims liabilities	-	-	-	-	-	-	-
Compensated absences / OPEB	-	-	-	-	-	-	-
Total adjustments	(115,668)	4,085,382	96,295	185,096	34,232	4,285,337	1,472,525
Net cash provided by (used in) operating activities	\$ (26,840)	\$ 5,289,181	\$ 741,384	\$ 182,771	\$ (1,923)	\$ 6,184,573	\$ 2,420,555

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 Fund

Firefighters' Retirement Fund

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 Fiduciary Net Assets
Fiduciary Fund
September 30, 2012

	Municipal Firefighters Pension Trust Fund
ASSETS	
Cash and cash equivalents	
Investments	
US Government Obligations	\$ 2,576,085
U.S. Government Agencies	1,673,700
Corporate Equities	12,417,474
Temporary Investment Funds	1,009,715
Corporate Obligations	2,449,924
Foreign tax reclaims	489
Due from other governments	54,673
Prepaid items	1,121
Accrued interest/dividends receivable	39,943
Total assets	<u>20,223,124</u>
LIABILITIES	
Accounts payable	27,069
Total liabilities	<u>27,069</u>
NET ASSETS	
Held in trust for pension benefits	<u>\$ 20,196,055</u>

The accompanying notes are an integral part of these financial statements.

City of Dunedin, Florida
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended September 30, 2012

	<u>Municipal Firefighters Pension Trust Fund</u>
ADDITIONS:	
Contributions	
Employer	\$ 546,020
Plan members	176,252
Excise tax rebate	309,954
Total contributions	<u>1,032,226</u>
Investment earnings	
Net depreciation in fair value of investments	2,714,292
Interest	210,901
Dividends	245,876
Total investment earnings	<u>3,171,069</u>
Less investment expenses	<u>(118,775)</u>
Net investment earnings	<u>3,052,294</u>
Miscellaneous revenue	<u>190</u>
Total additions	<u>4,084,710</u>
DEDUCTIONS:	
Benefits	981,507
Administrative expenses	61,587
Total deductions	<u>1,043,094</u>
Change in net assets	3,041,616
Net assets - beginning	17,154,439
Net assets - ending	<u><u>\$ 20,196,055</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Dunedin, Florida (the "City"), which was founded on June 1, 1899, and incorporated under Chapter 4877, Acts of 1899 of the State of Florida, has a population of approximately 35,000 (which includes seasonal residents) living within an area approximating 10 square miles. The City is contiguous to the northern side of Clearwater, Florida. The City operates under a Charter originally adopted January 6, 1926, and a Commission-Manager form of government. The most recent revision to the City's Charter was on November 6, 2012.

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

A. REPORTING ENTITY

The City is a Florida municipal corporation with a five member City Commission comprised of the Mayor (elected at large) and four commissioners. In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable and, as such, may be included within the City's Financial Statements. In accordance with GASB Statement No. 14 as amended, the City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board, and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on the foregoing criteria, the Community Redevelopment Agency and Firefighters' Pension have been included in the City's financial statements in a blended presentation.

1. Community Redevelopment Agency (CRA)

The City Commission serves as the CRA Board. Although legally separate, the CRA is blended as a special revenue fund type component unit into the primary government.

2. Municipal Firefighters' Pension Trust Fund

The City's firefighters participate in a separate Municipal Firefighters' Pension Trust Fund (the "Plan"). The Plan functions for the benefit of these employees and is governed by a five member pension board. The pension board is composed of two employees, two City residents, and a fifth member elected by the other four members.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Municipal Firefighters' Pension Trust Fund (Continued)

The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels. The Plan is legally separate, but blended as a fiduciary fund type component unit into the primary government. Complete financial statements for the Municipal Firefighters' Pension Trust Fund can be obtained from: Karen Feeney, Finance Director, City of Dunedin, 750 Milwaukee Avenue, Dunedin, Florida 34698.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The City has adopted the provisions of GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

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

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

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

The City reports the following major funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial sources of the general government, except those required to be accounted for in another fund.
- The *One Cent Sales Tax Fund* is a capital projects fund and accounts for the costs of infrastructure having a life expectancy of five (5) or more years and is funded by proceeds from the one-cent sales surtax approved by Pinellas County, Florida voters.
- The *Solid Waste Fund* is an enterprise fund and accounts for the provision of solid waste services to the residents of the City and some County residents. All activities necessary to the provisions of this service are accounted for in this fund.
- The *Water/Sewer Utility Fund* is an enterprise fund and accounts for the provision of water and sewer services to residents of the City, and some County residents. All activities necessary for the provision of these services are accounted for in this fund, including, but not limited to, administration, treatment plants and line maintenance.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- The *Stormwater Utility Fund* is an enterprise fund and accounts for the provision of services for the collection, storage, treatment and conveyance of stormwater for the benefit of all developed property within the City.
- The *Marina Fund* is an enterprise fund and accounts for the financing, operation and maintenance of the City marina and the associated real property.
- The *Golf Course Fund* is an enterprise fund and accounts for the financing, operation and maintenance of the City's golf course.

Additionally, the City reports the following fund types:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and investments

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

1. Deposits and Investments (continued)

The City's investments are reported at fair value. The Florida State Board of Administration (SBA) Local Government Pool Florida PRIME has met the criteria to be considered a "2A-7 like" investment pool as defined by GASB Statement No. 31. Therefore, amortized cost may be used for valuation. The fair value of the City's investment in this pool is determined by the pool's share price (account balance). The SBA Fund B does not meet the criteria to be considered a "2A-7 like" investment pool; therefore SBA provides a fair value factor to be applied to a participant's account balance.

2. Receivables and Payables

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

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

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

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

3. Property Taxes

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

3. Property Taxes (continued)

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

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

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, 2012 was 3.3817.

4. Inventories

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

5. Prepaid Items

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

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

6. Capital Assets

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

The City elected to implement the retroactive recordation of infrastructure assets, such as roads, bridges, curbs, gutters, streets and sidewalks and lighting systems, acquired prior to October 1, 2001 during the fiscal year ended September 30, 2007.

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

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

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

7. Accumulated Unused Compensated Absences

The City records the "vested portion of accumulated unused compensated absences" at the end of each fiscal year, based on each employee's accumulated unused hours and rate of pay. Generally, employees use their compensated absences as they are earned. For this reason, the accumulated unused portion as of September 30 is treated as a long-term liability.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

7. Accumulated Unused Compensated Absences (continued)

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.

With respect to the current fiscal year, management has determined that no material amounts of accumulated unpaid vacation and sick leave at the close of the year will be liquidated with expendable available resources; therefore, the entire liability for such leave pertaining to the Governmental Funds is reflected as a long-term liability.

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 assets. Bond premiums and discounts, issuance costs, and any losses on the refunding of any bond issuances (loss on defeasance), are deferred and 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

9. Postemployment Health and Life Insurance Benefits

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

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

10. Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by the applicable bond covenants. The "renewal and replacement" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

11. Deferred Revenue

Deferred revenue such as license fees and recreation receipts are deferred because the revenue has been received, but not earned. The deferred revenue will be recognized as revenue in the fiscal year it is deemed earned or in the year that it becomes available.

12. Fund Balance

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

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

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

13. Encumbrances

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

14. Net Assets

Net assets reported in the government-wide and proprietary fund financial statements are categorized as invested in capital assets net of related debt, restricted or unrestricted. The first category represents net assets related to capital assets net of related debt. Restricted net assets presents net assets restricted by requirements of revenue bonds and other externally imposed constraints or imposed by law through constitutional provisions or enabling legislation.

E. REVENUES, EXPENDITURES AND EXPENSES

1. Operating Subsidies, Grants, and Impact Fees

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

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

2. Interfund Transactions

Interfund sales and purchases are accounted for as fund revenues, expenditures or expenses (as appropriate). Transactions which constitute reimbursements to a fund for expenditures (expenses) initially made are recorded as expenditures or expenses (as appropriate) in the reimbursing fund, and as reductions of the expenditures (expenses) in the reimbursed fund. All interfund transactions except loans, reimbursements and interfund sales and purchases are accounted for as transfers or contributions. At fiscal year-end there is one interfund loan from the Self-Insurance fund to the Water and Wastewater Fund. See Note IV A. 4. Interfund transfers.

3. Administrative Charges

Certain administrative expenses are incurred by the General Fund on behalf of the other funds. In addition, some administrative charges are incurred by the Water/Sewer Utility Fund for services rendered that benefit other funds. Both the General Fund and the Water/Sewer Utility Fund receive payment for these services based on a percentage allocation in accordance with budgeted appropriations. These administrative reimbursements for the year ended September 30, 2012 are presented below.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. REVENUES, EXPENDITURES AND EXPENSES (CONTINUED)

3. Administrative Charges (continued)

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

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

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

<u>Fund</u>	<u>Amount</u>
General	\$ 2,000
Solid Waste	122,582
Marina	31,521
Facilities CIP	154,162
Stadium	9,978
County Gas Tax	38,291
One Cent	41,895
Parks & Recreation CIP	35,912
Transportaion Impact	200
Stormwater	191,916
CRA	5,000
Total	<u>\$ 633,457</u>

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

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

Accrued Interest Payable	\$	169,241
Revenue Bonds Payable		13,066,482
Compensated Absences		1,255,654
Net OPEB Obligation		<u>198,020</u>
Net adjustment to reduce <i>total fund balance - governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$	<u><u>14,689,397</u></u>

NOTE III – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City’s budget policy is summarized as follows:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental 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 the individual department/fund.
5. The appropriated budget is prepared by fund, function and department. The City Manager is authorized to transfer budgeted amounts within departments, except for budget changes

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE III – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY
(CONTINUED)

affecting salary line items. All salary budget changes, as well as transfers between departments must have City Commission approval.

6. Formal budgetary integration was employed as a management control device during the year for all budgeted funds.

NOTE IV – DETAIL NOTES - ALL FUNDS

A. ASSETS

1. Cash and Cash Equivalents and Investments

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

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

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

a. Custodial Credit Risk – Cash and Investments

Custodial credit risk is defined as the risk that a government will not be able to recover deposits or the value of its investments in the event of a failure of a depository financial institution or a third party holding the investment securities. The City's investment policy requires that time deposits, demand deposits, savings accounts and non-negotiable certificates of deposit must be held by institutions organized under the laws of Florida and/or in national banks organized under the laws of the United States and doing business and situated in Florida as qualified public depositories, provided that any such deposits are secured and collateralized by the Florida Security for Public Deposits Act (Chapter 280, Florida Statutes). In addition, the policy requires all investment securities to be held by a third party custodian in

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

1. Cash and Cash Equivalents and Investments (continued)

a. Custodial Credit Risk – Cash and Investments (continued)

the name of the City. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a “delivery vs. payment” basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusions of the transaction.

As of September 30, 2012, the book balance of the City's deposits was \$3,066,107 and the bank balance was \$3,454,598. The difference between the book balance and bank balance is due to outstanding checks and deposits in transit and other reconciling items. The bank balance is insured by federal depository insurance and, for the amount in excess of such federal depository insurance, is collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the government entity for the loss.

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

Regions Morgan Keegan Trust (Regions) periodically holds uninvested cash in its capacity as custodian for the Firefighters Pension Plan. These funds exist temporarily as cash in the process of collection from the sale of securities. As of September 30, 2012, the Firefighters Pension Plan’s investments are managed under separate investment agreements with Rockwood Capital Advisors, LLC and Harding Loevner LP. These agreements give Regions the custodianship, but gives Rockwood Capital Advisors, LLC and Harding Loevner LP the authority to manage the investments. All securities held by Regions are in the name of the Firefighters Pension Plan.

b. Credit Risk

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

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

1. Cash and Cash Equivalents and Investments (continued)

b. Credit Risk (continued)

- U.S. Treasury and Agency Securities
- Government Sponsored Enterprises (AAA/Aaa)
- Local Government Investment Pools (AAAm or equivalent)
- The State Board of Administration (SBA) or Florida PRIME (AAAm or equivalent)

- General or Revenue Debt Obligations of State and Local Governments (AAA/Aaa)
- Money Market Mutual Funds (AAAm)
- Bank Deposits / Certificates of Deposit
- Corporate Debt Instruments and Commercial Paper (AA-/Aa3)
- Repurchase Agreements (A1+/P1/F1+)

The City's cash and cash equivalents consisted of the following as of September 30, 2012:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard & Poor's Rating</u>	<u>Percentage of Total</u>	<u>Weighted Average Duration (In Years)</u>
Money Market Funds	\$ 2,019,307	Aaa/AAAm	6.03%	
Florida SAFE	15,600,619	AAAm	46.61%	0.20
SBA - Florida PRIME	186,223	AAAm	0.56%	0.10
SBA - Fund B	594,375	Not Rated	1.78%	Not available
Bank United CDs	12,000,000		35.85%	
Cash in bank	3,066,107		9.16%	
Petty cash	3,990		0.01%	
Total Cash and Investments	<u>\$ 33,470,621</u>			

The SBA Pool experienced a liquidity crisis in November 2007 which caused the Pool to be frozen, due to downgrades in a portion of the Pool's investments. The Pool was eventually divided into two pools, currently Florida PRIME and Fund B. Florida PRIME manages billions of dollars for Florida local governments and purchases investments consistent with Chapter 215.47, Florida Statutes.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

1. Cash and Cash Equivalents and Investments (continued)

b. Credit Risk (continued)

Florida PRIME operates as a ‘2a-7 like’ fund. Fund B is not rated by any nationally recognized statistical rating agency and consists of restructured or defaulted securities. As Fund B does not meet the requirement of a ‘2a-7 like’ fund, the SBA has provided an adjustment to fair value based on the net asset value of the units outstanding.

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 \$.9975 per share or higher. Florida SAFE invests its proceeds in U.S. Government Agencies and Commercial Paper.

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

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>Percentage of Total</u>	<u>Effective Duration (<u>In</u> <u>Years</u>)</u>
U.S. Government Obligations	\$ 2,576,085	AA	12.80%	2.9
U.S. Government Agencies	1,673,700	AA	8.32%	1.7
Corporate Obligations	2,449,924	BAA-A	12.17%	5.1
Domestic Stocks	10,536,991		52.35%	
International Stocks	1,880,483		9.34%	
Money Market Account	1,009,715	AAA	5.02%	Daily
Total Pension Funds	\$ 20,126,898			

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

1. Cash and Cash Equivalents and Investments (continued)

c. Concentration of Credit Risk (continued)

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

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

The Firefighters Pension Plan's policy limits investments in foreign fixed income or equity securities to 25% of the total portfolio. At year end a higher percentage is invested in equity securities. This was a temporary situation and has since been resolved. 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, 2012.

d. Interest Rate Risk

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

The Firefighters Pension Plan's investment policy limits the effective duration of its fixed income portfolios through the adoption of the Barclays Capital Aggregate Bond Index benchmark. The U.S. Government obligations had an effective duration of 2.9

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

1. Cash and Cash Equivalents and Investments (continued)

d. Interest Rate Risk (continued)

years; the U.S. Government agencies had an effective duration of 1.7 years, and corporate obligations had an effective duration of 5.1 years.

2. Receivables

Receivables, which include both accounts receivable and assessment receivables, as of the fiscal year ended September 30, 2012 for the City's individual major governmental and enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Other Governmental	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Total
Receivables:							
Accounts Billed	\$ 259,536	\$ 11,140	\$ 323,767	\$ 803,273	\$ 970,528	\$ 7,367	\$2,375,611
Accounts Unbilled	-	-	363,489	1,749,223	288,200	-	2,400,912
Special Assessments	-	-	-	-	-	-	-
Liens	-	-	24,865	75,737	-	-	100,602
Reclaimed Connection Fees	-	-	-	252,212	-	-	252,212
Gross Receivables	259,536	11,140	712,121	2,880,445	1,258,728	7,367	5,129,337
Less: Allowance for Uncollectibles	224,714	-	63,000	116,619	703,000	1,300	1,108,633
Net Total Receivables	<u>\$ 34,822</u>	<u>\$ 11,140</u>	<u>\$ 649,121</u>	<u>\$ 2,763,826</u>	<u>\$ 555,728</u>	<u>\$ 6,067</u>	<u>\$4,020,704</u>

As the operator of Refuse Collection, Utilities, and Marina programs, the City grants credit to their customers, substantially all of whom are City residents. The allowance for uncollectible accounts in the Enterprise Funds relates to unpaid assessments and accounts receivable.

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

2. Receivables (continued)

	General Fund
Recreation receipts not yet earned	\$ 21,141
License fees not yet earned	104,415
	\$ 125,556

3. Capital Assets

a. Capital asset activity

Capital asset activity for the fiscal year ended September 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 19,422,841	\$ 311,453	\$ -	\$ 19,734,294
Construction in Progress	159,777	395,888	(142,338)	413,327
Total Capital not being Depreciated	19,582,618	707,341	(142,338)	20,147,621
<i>Capital Assets being Depreciated:</i>				
Buildings	38,089,040	801,679	(2,209)	38,888,510
Infrastructure	7,506,272	274,057	-	7,780,329
Improvements other than Buildings	29,132,187	914,056	(780)	30,045,463
Machinery and Equipment	19,704,030	1,263,058	(1,198,348)	19,768,740
Total Capital Assets being Depreciated	94,431,529	3,252,850	(1,201,337)	96,483,042
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(14,281,443)	(1,543,427)	2,209	(15,822,661)
Infrastructure	(1,664,980)	(168,653)	-	(1,833,633)
Improvements other than Buildings	(12,579,011)	(1,451,285)	780	(14,029,516)
Machinery and Equipment	(13,708,604)	(1,426,933)	1,123,947	(14,011,590)
Total Accumulated Depreciation	(42,234,038)	(4,590,298)	1,126,936	(45,697,400)
Total Capital Assets being Depreciated, net	52,197,491	(1,337,448)	(74,401)	50,785,642
Governmental Activities Capital Assets, net	\$ 71,780,109	\$ (630,107)	\$ (216,739)	\$ 70,933,263

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

3. Capital Assets (Continued)

a. Capital asset activity (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 1,628,896	\$ -	\$ -	\$ 1,628,896
Construction in Process	<u>3,390,134</u>	<u>307,815</u>	<u>(3,455,964)</u>	<u>241,985</u>
Total Capital not being Depreciated	<u>5,019,030</u>	<u>307,815</u>	<u>(3,455,964)</u>	<u>1,870,881</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	16,452,112	19,773	-	16,471,885
Improvements other than Buildings	111,972,051	11,029,677	(141,390)	122,860,338
Machinery and Equipment	<u>3,187,451</u>	<u>129,392</u>	<u>(82,109)</u>	<u>3,234,734</u>
Total Capital Assets being Depreciated	<u>131,611,614</u>	<u>11,178,842</u>	<u>(223,499)</u>	<u>142,566,957</u>
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(14,488,849)	(764,523)	-	(15,253,372)
Improvements other than Buildings	(64,075,088)	(4,739,423)	7,515	(68,806,996)
Machinery and Equipment	<u>(2,067,280)</u>	<u>(189,164)</u>	<u>82,014</u>	<u>(2,174,430)</u>
Total Accumulated Depreciation	<u>(80,631,217)</u>	<u>(5,693,110)</u>	<u>89,529</u>	<u>(86,234,798)</u>
Total Capital Assets being Depreciated, net	<u>50,980,397</u>	<u>5,485,732</u>	<u>(133,970)</u>	<u>56,332,159</u>
Business-type Activities Capital Assets, net	<u>\$ 55,999,427</u>	<u>\$ 5,793,547</u>	<u>\$ (3,589,934)</u>	<u>\$ 58,203,040</u>

Current year increases to Construction in Progress includes \$112,053 of interest costs that were capitalized in the Water/Sewer Utility and Stormwater Utility funds. Also, Construction in Progress in the amount of \$3,598,302 was transferred to other capital asset categories for both governmental and business-type activities during the fiscal year ended September 30, 2012.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

3. Capital Assets (Continued)

b. Depreciation

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

Governmental Activities:

General Government	\$	870,564
Public Safety		290,980
Transportation		361,560
Culture and Recreation		1,858,153
Internal Service Funds		1,209,041
Total Depreciation Expense	<u>\$</u>	<u>4,590,298</u>

Business-type Activities:

Solid Waste		32,033
Water/Sewer Utility		4,696,866
Stormwater Utility		750,642
Marina		177,887
Golf Course		35,682
Total Depreciation Expense	<u>\$</u>	<u>5,693,110</u>

c. Construction contracts

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

	<u>September 30, 2012</u>	
	<u>Estimated Project Amount</u>	<u>Construction in Progress</u>
Governmental Activities:		
The City contracted for construction of improvements to the streets in and around the Norfolk Street area.	\$ 383,076	\$ 172,909
The City has contracted for improvements to the concession building at Fisher Field.	152,214	68,550
The City has contracted for the construction of improvements at Weaver Park. This includes a restroom and picnic shelters.	365,600	171,868
Total Governmental Activities	<u>\$ 900,890</u>	<u>\$ 413,327</u>

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

3. Capital Assets (Continued)

c. Construction contracts (continued)

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

	September 30, 2012	
	Estimated Project Amount	Construction in Progress
Utility Fund:		
The City contracted for the construction of a redundant waterline at the Water Plant.	\$ 400,000	\$ 93,708
The City has contracted for the construction of a new waterline along portions of Douglas Ave.	350,000	148,277
Total Enterprise Funds	\$ 750,000	\$ 241,985

4. Interfund transfers

	Transfers In:							
		General	One Cent	Non Major Governmental	Stormwater Fund	Golf Course	Internal Service	Total
Transfers Out:								
General	\$ -	\$ -	\$ 1,204,626	\$ -	\$ 41,237	\$ 1,711,234	\$ 2,957,097	
One Cent Sales Tax	-	-	958,257	200,000	-	68,444	1,226,701	
Non Major Governmental	253,630	229,500	90,224	-	-	-	573,354	
Water/Sewer Utility	-	53,782	-	-	-	-	53,782	
Stormwater Fund	-	70,000	12,779	-	-	-	82,779	
Solid Waste	-	-	25,000	-	-	-	25,000	
Golf Course	39,260	-	-	-	-	-	39,260	
Internal Service	211,234	110,000	-	-	-	-	321,234	
Total Transfers	\$ 504,124	\$ 463,282	\$ 2,290,886	\$ 200,000	\$ 41,237	\$ 1,779,678	\$ 5,279,207	

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

4. Interfund transfers (continued)

Of the \$2,957,097 transferred out of the General Fund, \$1,092,970 was made for a variety of capital projects and repair and maintenance, \$111,656 was made for debt service payments, \$41,237 was used to subsidize golf course operations, and the remaining balance of \$1,711,234 represents \$1,500,000 for a new fire station and \$211,234 to pay off a fire truck lease. Transfers out of the One Cent Sales Tax Fund totaling \$1,226,701 were made to subsidize a variety of capital projects, including parks and recreation, Dunedin Stadium, street projects, and facility projects. The \$53,782 transferred out of the Water/Sewer Utility Fund was used to subsidize a street reconstruction project. The \$82,779 transferred out of the Stormwater Fund was to subsidize a street reconstruction project and subsidize demolition of buildings on land donated to the City. The \$25,000 transferred out of the Solid Waste Fund was to subsidize the upgrade of the IT system. Net transfers between the Golf Course Fund and the General Fund of \$1,977 were made for the purpose of providing a small fund balance. Transfers to the internal service funds are made for the purpose of paying for those services provided.

An interfund loan was made between the Self-Insurance Fund and the Water/Sewer Utility Fund in the amount of \$713,784. This is an interest free loan with payments of \$50,000 per year through 2024 and a final payment of \$63,784 in 2025. The balance at the end of fiscal year 2012 was \$663,784.

B. LONG-TERM DEBT

The following presents the long-term debt during the fiscal year ended September 30, 2012:

1. Capital Leases

On March 5, 2007, the City entered into a lease-purchase agreement to finance \$1,088,720 in solid waste vehicles for the Solid Waste Fund. This five-year capital lease has a 3.59% interest rate and provides for annual payments of \$241,746. Final payment for this lease-purchase was made on March 5, 2012. Accumulated depreciation for this lease is \$1,028,533.

On March 18, 2008, the City entered a lease-purchase agreement to finance \$351,876 in solid waste vehicles for the Solid Waste Fund. This five-year capital lease has a 3.18% interest rate and provides for annual payments of \$77,236. Accumulated depreciation for this lease is \$263,907.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

1. Capital Leases (Continued)

On September 29, 2009, the City entered into a lease-purchase agreement to finance \$981,140 in solid waste vehicles in the Solid Waste Fund. This five-year capital lease has a 3.11% interest rate and provides for annual payments of \$215,477. Accumulated depreciation for this lease is \$490,570.

On October 29, 2011, the City entered into a lease-purchase agreement to finance \$994,655 in vehicles, one fire truck and two sanitation vehicles. This five-year capital lease has a 3.43% interest rate and provides for annual payments of \$213,793.

On March 20, 2012, the City paid off the fire truck portion of the lease, changing the annual payments to \$106,906. Accumulated depreciation for this lease is \$151,962.

The future minimum lease obligations and the net present value of these minimum lease payments at September 30, 2012 were as follows:

Fiscal Year	Governmental Activities
2013	\$ 399,619
2014	322,383
2015	322,383
2016	106,906
Total Minimum Lease Payments	1,151,291
Less: Amount Representing Interest	65,585
Present Value of Minimum Lease Payments	\$ 1,085,706

2. Special Assessment Debt

Promissory Note, Series 2002A Spanish Trails Subdivision:

During the fiscal year ended September 30, 2002, the City undertook a special assessment project to install a sanitary sewer system in the Spanish Trails Subdivision. Terms of this special assessment require that the cost of this project will be levied against the properties benefited. The total cost of this project was higher than the related special assessment of \$759,000. The repayment terms of this assessment are summarized as follows:

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

2. Special Assessment Debt (continued)

- The assessment may be paid at any time within thirty days after the project is completed or
- The Assessment may be paid in ten equal annual installments with interest at the rate of five and three-quarters percent. The first payment of this assessment was due in fiscal year 2002-2003 and payment will be included in the ad valorem tax bill issued by the Pinellas County, Florida Tax Collector.

On May 3, 2002, the City issued a Promissory Note, Series 2002A for \$759,000 to partially finance the above project. Repayment for this note is from sanitary sewer assessment revenues.

Sanitary sewer assessment revenues received from Spanish Trails residents assessed for the respective benefited properties are pledged as collateral. In the event that Sanitary Sewer Assessment Revenues are not sufficient to cover the indebtedness, the note is also secured by a pledge of the proceeds from other non-ad valorem revenues.

Repayment terms:

The term, interest rate and payments are as follows:

Original Amount Issued	\$	759,000
Final Maturity		May 3, 2012
Interest Rate		4.65%
Annual Payments	\$	96,630
Amount Outstanding at September 30, 2012	\$	-

On May 7, 2012 the City made final payment for the remaining principal for the Spanish Trails special assessment bond.

3. Revenue Bonds

a. Spring Training Facility Revenue Notes, Series 2001

On March 30, 2001, the Commission approved Resolution 01-14, Stadium and Recreation Facilities Financing Amendment, a resolution which amended Resolution 01-10. This resolution authorized the issuance of City revenue notes (spring training facility) series 2001A, series

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

3. Revenue Bonds (continued)

a. Spring Training Facility Revenue Notes, Series 2001 (continued)

2001B and series 2001C in the principal amounts of \$6,000,000, \$1,700,000 and \$4,300,000, respectively. These revenue notes are to finance the cost of renovation, construction and improvements to the City's existing baseball training facilities. As part of the financing of the Stadium and Recreational Facilities, the City has commitments for funding from Pinellas County (\$3,000,000) and from the State of Florida (\$6,000,000).

The repayment of the notes will be from pledged revenues consisting of State payments, County payments and Guaranteed Entitlement Revenues (Non-Ad Valorem).

Annual Payment Requirement (Principal and Interest)	\$	1,075,184
Less Annual Amount Provided by:		
State		(500,000)
County		(297,980)
City's Portion	\$	<u>277,204</u>

Repayment terms:

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

	<u>2001A</u>	<u>2001B</u>	<u>2001C</u>
Original Amount Issued	\$ 6,000,000	\$ 1,700,000	\$ 4,300,000
Final Maturity	April 1, 2021	April 1, 2016	April 1, 2016
Interest Rates	4.65%	4.76%	6.72%
Monthly Payments	<u>\$ 38,427</u>	<u>\$ 13,220</u>	<u>\$ 37,952</u>
Amount Outstanding at September 30, 2012	<u>\$ 3,258,341</u>	<u>\$ 521,743</u>	<u>\$ 1,446,716</u>

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

3. Revenue Bonds (continued)

b. Capital Improvement Revenue Note, Series 2002:

On September 19, 2002, the Commission approved Resolution 02-36. This resolution authorized the issuance of City revenue notes for milling and resurfacing approximately 36,000 square feet of concrete pavement on Palm Boulevard. The project scope also included a continuous asphalt rubber membrane interlayer, miscellaneous curb replacement, storm drainage upgrades and median island modifications. The City is required to establish and maintain a fund to manage the debt service (Capital Improvement Revenue Note, Series 2002 Debt Service Fund). Non-Ad Valorem revenues and funds in the debt service fund are pledged as collateral.

Funds of the Debt Service Fund are required to be continuously secured in the same manner as State and municipal deposits are required to be secured by the laws of the State of Florida.

The term, interest rate and payments are as follows:

Original Amount Issued	\$ 943,904
Final Maturity	October 1, 2012
Interest Rate	3.48%
Annual Payments:	<u>\$ 113,498</u>
Amount Outstanding at September 30, 2012	<u>\$ 109,682</u>

c. Capital Improvement Revenue Note, Series 2003:

On October 16, 2003, the Commission approved Resolution 03-38. This resolution authorized the issuance of a capital improvement note, Series 2003 of the City and execution and delivery of a loan agreement of \$4,900,000 between the City and the Bank of America, N.A. The interest rate on this loan is 3.37%.

The loan is for the financing of the acquisition of land and construction of the Stirling Recreation Center. The City's Sales Tax Revenues are pledged as collateral.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

3. Revenue Bonds (continued)

c. Capital Improvement Revenue Note, Series 2003 (continued):

On August 24, 2012 the City made final payment for the remaining principal for the Capital Improvement Revenue Note, Series 2003.

The term, interest rate and payments are as follows:

Original Amount Issued	\$ 4,900,000
Final Maturity	November 1, 2013
Interest Rate	3.37%
Annual Payments:	<u>\$ 106,652</u>
Amount Outstanding at September 30, 2012	<u>\$ -</u>

d. Sales Tax Revenue Bonds, Series 2005:

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

The term, interest rate and payments are as follows:

Original Amount Issued	\$ 10,000,000
Final Maturity	October 1, 2025
Interest Rate	3.0% - 4.125%
Annual Payments:	<u>\$ 730,000</u>
Amount Outstanding at September 30, 2012	<u>\$ 7,730,000</u>

e. Utility Fund - Utility System Bonds:

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

On June 8, 2012, the City issued \$17,900,000 of Water and Sewer System Refunding Revenue Bonds, Series 2012. These bonds were issued at a premium of \$1,125,672 and refunded the following issues: 1994 Reclaimed Water Credit Facility from

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

3. Revenue Bonds (continued)

e. Utility Fund - Utility System Bonds (continued):

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

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. The remainder of bonds, refunded in the amount of \$1,361,112, were 2007 Utility Revenue bonds held in the Stormwater Fund.

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.

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

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

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

3. Revenue Bonds (continued)

f. Debt service requirements

Revenue bond and debt service requirements to maturity are as follows:

Year	Governmental Activities		Business Activities*	
	Principal	Interest	Principal	Interest
2013	1,367,205	540,756	50,000	681,992
2014	1,319,803	476,962	950,000	824,410
2015	1,384,894	411,430	1,237,000	793,027
2016	1,194,445	344,714	1,273,000	756,785
2017-2021	4,570,134	1,132,254	7,003,000	3,111,717
2022-2026	3,230,000	341,881	8,398,784	1,646,353
2027-2031	-	-	4,763,000	353,863
2032-2034	-	-	765,000	23,424
Total	\$ 13,066,481	\$ 3,247,997	\$ 24,439,784	\$ 8,191,571

*Includes interfund loan.

4. Hedging Derivative Investment

Termination of Hedging Derivative Investment:

The City's has no hedging derivative instrument outstanding at September 30, 2012. On June 8, 2012, the City issued 2012 Series Refunding Water/Sewer Utility and Stormwater Utility Bonds to refund Series 2006 and to terminate the related derivative investment (SWAP). As a result of the refunding bond issuance, the City incurred a \$186,000 swap termination fee.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

5. Changes in Long-Term Liabilities

Long-term liability activities for the year ended September 30, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital Leases	\$ 2,174,240	\$ -	\$ (1,088,534)	\$ 1,085,706	\$ 399,619
Bonds and Notes Payable	14,491,429	-	(1,424,948)	13,066,481	1,367,206
Estimated Claims and Judgements	143,392	219,981	-	363,373	-
Compensated absences	1,485,003	25,527	-	1,510,530	-
Net OPEB Obligation	<u>175,981</u>	<u>90,713</u>	<u>(47,070)</u>	<u>219,624</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 18,470,045</u>	<u>\$ 336,221</u>	<u>\$ (2,560,552)</u>	<u>\$ 16,245,714</u>	<u>\$ 1,766,825</u>
Business-Type Activities:					
Special Assessment Debt with Government Commitment	<u>\$ 92,337</u>	<u>\$ -</u>	<u>\$ (92,337)</u>	<u>\$ -</u>	<u>\$ -</u>
Bonds and Notes Payable	20,750,655	23,776,000	(20,750,655)	23,776,000	-
Interfund Note Payable	-	713,784	(50,000)	663,784	50,000
Deferred Amounts for:					
Unamortized Premiums	104,112	1,210,643	(130,432)	1,184,323	-
Loss on Refunding	<u>(521,268)</u>	<u>(19,019)</u>	<u>523,988</u>	<u>(16,299)</u>	<u>-</u>
Total Utility System Revenue Bonds	20,333,499	25,681,408	(20,407,099)	25,607,808	50,000
Compensated Absences	1,065,499	-	(43,726)	1,021,773	-
Net OPEB Obligation	<u>98,723</u>	<u>51,026</u>	<u>(25,982)</u>	<u>123,767</u>	<u>-</u>
Business-Type Activity Long-Term Liabilities	<u>\$ 21,590,058</u>	<u>\$ 25,732,434</u>	<u>\$ (20,569,144)</u>	<u>\$ 26,753,348</u>	<u>\$ 50,000</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

5. Changes in Long-Term Liabilities (continued)

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, \$254,876 and \$21,603 of internal service funds' compensated absences and net OPEB obligation, respectively, are included in the above amounts. The General Fund has historically been used to liquidate the net pension obligation or increase the net pension asset. Conversely, the net OPEB obligation has been liquidated by all of the City's funds in the form of health insurance premiums paid. The amount paid by each fund is derived from the number of employees in each fund.

6. Economic Gain or Loss on Refunding or Defeasance

During the year bonds were redeemed (1993 Bonds) and refunded (1994 Note, 2006 Bonds and 2007 Bonds). GASB Statement No. 7 requires disclosure of the economic gain or loss on refunding or defeasance. The economic gain or loss is the difference between the present value of the old debt service requirements and the present value of the new debt service requirements, discounted at the effective interest rate of the new debt and adjusted for additional cash paid.

The economic gain resulting from the issuance of the \$17,900,000 in Water and Sewer System Refunding Revenue Bonds, Series 2012 is a gain of \$1,152,297. The economic gain resulting from the issuance of the \$5,876,000 in Stormwater System Refunding Revenue Bonds, Series 2012 is a gain of \$44,408. The economic loss resulting from the redemption of the 1993 bonds is \$24,678.

7. Refundings and Defeasance

During the year several bonds were refunded, including the 1994 Utility System Revenue Note, the Series 2006 Utility System Refunding Bonds, and the Series 2007 Utility Revenue Bonds. The remaining bonds from these issues were refunded by the issuance of two series of bonds dated June 8, 2012, the \$5,876,000 Stormwater System Refunding Revenue bonds, and the \$17,900,000 Water and Sewer System Refunding Revenue Bonds.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE V – OTHER INFORMATION

A. PENSION

1. Florida Retirement System

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

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

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

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

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE V – OTHER INFORMATION (CONTINUED)

A. PENSION (CONTINUED)

1. Florida Retirement System (continued)

Deferred Retirement Option Program

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).

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V – OTHER INFORMATION (CONTINUED)

A. PENSION (CONTINUED)

1. Florida Retirement System (continued)

Funding Policy

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, 2011 to June 30, 2012, and July 1, 2012 to September 30, 2012, the contribution rates, by job class, were as follows: regular employees 4.91% and 5.18%, senior management 6.27% and 6.30%, and DROP participants 4.42% and 5.44%, respectively. The City's contribution includes 1.11% for a post-retirement health insurance subsidy. FRS also provides disability and survivors' benefits. Benefits are established by Florida State Statute. The contribution requirements of employers are established and may be amended by the Division of Retirement. The total contributions to the plan for the years ending September 30, 2012, 2011 and 2010 were \$325,205, \$500,073, and \$541,280, respectively.

2. Firefighters' Retirement Fund

All of the City's full-time fire employees participate in a separate single-employer, defined benefit pension plan. Membership in the Plan as of September 30, 2012, is summarized as follows:

<u>Group</u>	<u>September 30, 2012</u>
Service retirees and DROP retirees	30
Disability retirees	7
Beneficiaries	4
Terminated plan members entitled to but not yet receiving benefits	2
Active plan members	50
Total	<u>93</u>

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V – OTHER INFORMATION (CONTINUED)

A. PENSION (CONTINUED)

2. Firefighters' Retirement Fund (continued)

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

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

Deferred Retirement Option Plan

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

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: Karen Feeney, Director of Finance, City of Dunedin, P.O. Box 1348, Dunedin, Florida 34697-1348.

Basis of accounting is the method by which revenues and expenses are recognized in the accounts and are reported in the financial statements. 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 and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE V – OTHER INFORMATION (CONTINUED)

A. PENSION (CONTINUED)

2. Firefighters' Retirement Fund (continued)

in accordance with the terms of the plan. Investments are measured at fair value based on quoted market prices for securities held by the Plan. Firefighter contribution rates are established at 5.5% of salary. A state excise tax rebate is also received from the State of Florida under Florida Statutes, Chapter 175 (C.175) and the City in amounts sufficient to fund the Plan at an actuarially determined rate specified by state statute, C. 175. The City recognized these on-behalf payments from the State totaling \$309,954 as revenues and expenditures within the general fund of the governmental fund financial statements, as well as within governmental activities of the government-wide financial statements.

The City's Annual Pension Cost and Net Pension Obligation for the year ended September 30, 2012, is as follows:

Annual required employer contributions	\$ 825,820 *
Interest on net pension obligation	(7,933)
Adjustment to annual required contribution	5,760
Annual pension cost	<u>823,647</u>
Contributions made	<u>829,070 *</u>
Increase (decrease) in net pension obligation	(5,423)
Net pension obligation (asset), beginning of year	<u>(312,638)</u>
Net pension obligation (asset), end of year	<u><u>\$ (318,061)</u></u>

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

The annual required contribution for current year was determined as part of an actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5% to 15% per year (depending on service), which included an inflation component of 3.50%. The assumptions did not include a post-retirement cost of living adjustment.

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

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V – OTHER INFORMATION (CONTINUED)

A. PENSION (CONTINUED)

2. Firefighters' Retirement Fund (continued)

Three Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2012	\$ 823,647 *	100.3%	\$ (318,061)
9/30/2011	814,652	100.4%	(312,638)
9/30/2010	614,962	100.3%	(100,240)

* Beginning with fiscal year ending 09/30/2011, the required and actual contributions reflect City and State contributions. Prior to that date, they were only City contributions.

Information about the funded status of the Plan, as of October 1, 2012, the most recent actuarial valuation date, is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Funded) Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
October 1 2012	\$ 19,099,764	\$ 20,777,619	\$ 1,677,855	92%	\$ 3,110,720	54%

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

3. Defined Contribution Plan

Beginning January 1, 1996, the City began providing retirement benefits for all of its full-time employees not covered under the Florida Retirement System or the Municipal Firefighters' Pension Trust Fund through a non-contributory defined contribution plan administered by Great West under their prototype Profit-Sharing Plan and Trust Agreement. At September 30, 2012, there were 212 Plan members in the defined contribution plan. Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate after one year of employment. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after six years of continuous service.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE V – OTHER INFORMATION (CONTINUED)

A. PENSION (CONTINUED)

3. Defined Contribution Plan

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

The City's total payroll in fiscal year ended September 30, 2012 was \$16,913,621. The City's contributions were calculated using the participants' salary amount of \$7,889,026. The City's contributions to the Plan for the years ended September 30, 2012, 2011, and 2010 were \$765,830 (including \$117,625 in forfeitures used), \$747,133, and \$676,646, respectively.

B. SELF INSURANCE PROGRAM

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

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

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

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

The current claims liability of \$149,262 reported in the Fund at September 30, 2012, based on information identified prior to the issuance of the financial statements, indicates

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE V – OTHER INFORMATION (CONTINUED)

B. SELF INSURANCE PROGRAM (CONTINUED)

that it is probable that a liability has been incurred at the date of the financial statements and 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, 2012, are as follows:

	Workers Compensation	Property and Liability	Total
Claims reserve, September 30, 2010	\$ 139,820	\$ 40,898	\$ 180,718
Plus: Incurred claims and reserve adjustments	158,881	109,733	268,614
Less: Paid claims and reserve adjustments	<u>(204,574)</u>	<u>(101,366)</u>	<u>(305,940)</u>
Claims reserve, September 30, 2011	94,127	49,265	143,392
Plus: Incurred claims and reserve adjustments	95,299	187,267	282,566
Less: Paid claims and reserve adjustments	<u>(137,646)</u>	<u>(139,050)</u>	<u>(276,696)</u>
Claims reserve, September 30, 2012	<u>\$ 51,780</u>	<u>\$ 97,482</u>	<u>\$ 149,262</u>

The City is also self-insured for its Employee Health Plan. The Plan started October 1, 2010. The Plan is accounted for in an Internal Service Fund and is externally administered, for an annually contracted amount that is based on dollar value of claims processed. Contributions for City employees and their dependents are shared by the City and the employee. Administrative fees are paid primarily out of this fund. Stop-loss insurance is maintained for this program at \$100,000 per individual with an annual aggregate maximum benefit of \$1,000,000. No claims have exceeded insurance coverage since the Plans inception. Changes in the Fund's claims liability amount during the year ended September 30, 2012, are as follows:

	Health Benefit Plan
Claims reserve, October 1, 2010	\$ -
Plus: Incurred claims and reserve adjustments	2,873,553
Less: Paid claims and reserve adjustments	<u>(2,652,553)</u>
Claims reserve, September 30, 2011	221,000
Plus: Incurred claims and reserve adjustments	1,920,030
Less: Paid claims and reserve adjustments	<u>(1,926,919)</u>
Claims reserve, September 30, 2012	<u>\$ 214,111</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE V – OTHER INFORMATION (CONTINUED)

C. POST-EMPLOYMENT BENEFITS

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

Plan Description and Funding Policy

Employees who retire from the City of Dunedin (City), and eligible dependents and survivors, are eligible to continue to participate in the City's health insurance programs at the “blended” employee group rate which is determined annually by the City and approved by the City Commission. Retirees have 31 days to elect to enroll in the City’s health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of the latest actuarial valuation date, a total of 323 active employees and 19 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.

Annual OPEB Cost and Net OPEB Obligation

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

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V – OTHER INFORMATION (CONTINUED)

C. POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (continued)

	Annual OPEB Cost
Annual Required Contribution (ARC)	\$ 141,668
Interest on Net OPEB Obligation	10,988
Adjustment to ARC	(10,917)
Annual OPEB Cost	141,739
Contributions made (pay-as-you-go basis)	73,052
Increase in Net OPEB Obligation	68,687
Net OPEB Obligation, beginning of year	274,704
Net OPEB Obligation, end of year	\$ 343,391

The City's three year trend information, consisting of annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2012, 2011, 2010, and 2009, are as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2012	\$ 141,739	51.5%	\$ 343,391
9/30/2011	148,087	44.8%	274,704
9/30/2010	152,895	36.1%	193,028

As of October 1, 2011, the most recent actuarial valuation date the actuarial accrued liability (AAL) for benefits was \$1,496,786, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,496,786. The ratio of the UAAL to covered payroll of \$15,277,568 is 9.8%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE V – OTHER INFORMATION (CONTINUED)

C. POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (continued)

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

Valuation Date	10/1/2012 (with results that were projected backwards to October 1, 2011 on a “no loss/no gain” basis)
Actuarial Cost Method	Projected Unit Credit
Amortization Period	30 years
Amortization Method	Level Percent of Pay Over 30 Years Based on an Open Group
Discount Rate	4.00% Unfunded
Inflation Rate	3.00%
CPI	3.00%
Healthcare Cost Trend	9.5% (grading down to 5% in 2022)
Payroll Growth Rate	3.00% per year

D. CONTINGENCIES AND COMMITMENTS

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

E. FEDERAL AND STATE GRANTS

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE VI – FUND BALANCE REPORTING

The City implemented GASB No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, for the fiscal year ended September 30, 2011. This pronouncement adds clarity and consistency to fund balance classifications and categories, making the statements more useful by clarifying the presentation of available resources.

Due to the implementation of GASB No. 54, the components of the fund balances of governmental funds now reflect the classifications described below. As part of the implementation process the City Commission adopted Resolution 12-09 adopted on March 15, 2012 which describes the components of each classification of fund balance described below.

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

The City’s non spendable fund balance consisted of inventories in the General Fund of \$3,142 and prepaid items in the General Fund of \$19,528.

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

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

General Fund		Other Governmental Funds	
Perpetual Care	\$ 271,409	Capital Improvement	\$ 901,199
Housing	69,198	Government Grants	22,022
Public Safety	58,232	Dunedin Stadium	12,011
Bequests	168,466	Public Library Operation	15,583
Total	<u>\$ 567,305</u>	Community Redevelopment	829,508
		Debt Service	112,712
		Impact Fees	391,154
		G. Koutsourais Youth	9,226
		Total	<u>\$ 2,293,415</u>

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

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE VI – FUND BALANCE REPORTING (CONTINUED)

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

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

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

General Fund	
Dunedin Fine Arts Center	\$ 2,807
Dunedin Historical Society	1,395
Encumbrances	41,649
Subsequent Year's Budget	<u>196,452</u>
Total	<u><u>\$ 242,303</u></u>

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

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

NOTE VII – SUBSEQUENT EVENTS

On November 9, 2012 the City of Dunedin closed on a State Sales Tax Refunding Revenue Bond, Series 2012, a Taxable Non Ad Valorem Refunding Revenue Note, Series 2012A and a Non Ad Valorem Refunding Revenue Note, Series 2012B in the following amounts 3,280,000, \$1,454,000 and \$510,000. These bonds refunded existing debt – Series 2001A, 2001B, and 2001C, principal amounts due of \$3,571,024, \$545,589, and \$1,565,340.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF DUNEDIN, FLORIDA
SCHEDULES OF FUNDING PROGRESS
SEPTEMBER 30, 2012**

Municipal Firefighters' Pension Trust Fund

As Of	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded		Estimated Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
			Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)		
10/01/12	\$ 19,099,764	\$ 20,777,619	\$ 1,677,855	91.9%	\$ 3,110,720	53.9%
10/01/11	18,361,923	20,442,979	2,081,056	89.8%	3,287,502	63.3%
10/01/10	18,006,457	20,313,740	2,307,283	88.6%	3,395,469	68.0%
10/01/09	17,499,363	19,389,838	1,890,475	90.3%	3,331,281	56.7%
10/01/08	16,640,718	17,558,541	917,823	94.8%	2,981,145	30.8%
10/01/07	16,202,634	17,074,051	871,417	94.9%	2,874,332	30.3%
10/01/06	13,980,555	15,274,151	1,293,596	91.5%	2,669,044	48.5%
10/01/05	13,430,948	14,332,863	901,915	93.7%	2,738,385	32.9%
10/01/04	13,356,895	13,507,266	150,371	98.9%	2,575,437	5.8%
10/01/03	13,291,020	12,802,764	(488,256)	103.8%	2,357,502	-20.7%
10/01/02	13,438,085	12,275,088	(1,162,997)	109.5%	1,968,250	-59.1%
10/01/01	14,097,536	11,627,907	(2,469,629)	121.2%	1,784,025	-138.4%
10/01/00	13,884,790	11,037,197	(2,847,593)	125.8%	1,744,823	-163.2%

Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded		Estimated Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
			Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)		
10/01/11	-	\$ 1,496,786	\$ 1,496,786	0.0%	\$ 15,277,568	9.8%
10/01/09	-	1,503,428	1,503,428	0.0%	16,300,314	9.2%

**CITY OF DUNEDIN, FLORIDA
SCHEDULES OF FUNDING PROGRESS
SEPTEMBER 30, 2012**

The below data is the most current available as of printing of this draft CAFR.

Municipal Firefighters' Pension Trust Fund

Fiscal Year	Annual Required Contribution	Actual City Contribution	State Contribution *	Percentage Contributed
2012	\$ 825,820	\$ 546,020	\$ 283,050	100%
2011	816,780	744,000	283,050	104%
2010	719,844	617,046	102,798	100%
2009	704,462	601,664	102,798	100%
2008	642,825	540,027	102,798	100%
2007	624,664	521,866	102,798	100%
2006	545,644	442,846	102,798	100%
2005	469,459	366,661	102,798	100%
2004	354,870	252,072	102,798	100%

* "Frozen" pursuant to the provisions of Chapter 175, F.S., as amended

Other Postemployment Benefits

Fiscal Year	City Contribution	Annual Required Contribution	Percentage Contributed
2012	\$ 73,052	\$ 141,668	51.6%
2011	66,411	148,037	44.9%
2010	55,206	152,872	36.1%
2009	50,187	145,526	34.5%

Nonmajor Governmental Funds

Special Revenue Funds

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

Government Grants Fund

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

Dunedin Stadium Fund

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

Impact Fees Fund

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

Library Co-Op Fund

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

Community Redevelopment Agency Fund

To account for the receipt, custody and expenditure of property tax increment funds associated with related redevelopment projects.

G. Koutsourias Youth Fund

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

Debt Service Funds

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

Capital Improvement Debt Service Fund

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

Capital Projects Funds

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

Stadium Capital Project Fund

To account for the receipt of taxable and nontaxable note proceeds, along with proper allocation between taxable and nontaxable construction expenditures.

County Gas Tax Fund

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

Parks & Recreation Capital Improvement Fund

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

Capital Improvement Fund

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

City of Dunedin, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2012

		Special Revenue						
	Government Grants	Dunedin Stadium	Impact Fees	Library Co-Op	Community Redevelopment Agency	G. Koutsourias Youth	Special Revenue Total	
<u>ASSETS</u>								
Cash and cash equivalents	\$ -	\$ 41,567	\$ 427,914	\$ 15,645	\$ 887,133	\$ 9,226	\$ 1,381,485	
Accounts Receivable	-	-	-	-	9,640	-	9,640	
Due from other governments	33,238	-	-	-	-	-	33,238	
Deposits	-	500	-	-	-	-	500	
Total assets	<u>\$ 33,238</u>	<u>\$ 42,067</u>	<u>\$ 427,914</u>	<u>\$ 15,645</u>	<u>\$ 896,773</u>	<u>\$ 9,226</u>	<u>\$ 1,424,863</u>	
<u>LIABILITIES</u>								
Accounts payable	\$ -	\$ 29,556	\$ 36,760	\$ -	\$ 13,229	\$ -	\$ 79,545	
Contracts payable	-	-	-	-	6,695	-	6,695	
Accrued salaries payable	-	-	-	62	7,534	-	7,596	
Accrued expenses	-	-	-	-	36,195	-	36,195	
Deposits payable	-	500	-	-	3,612	-	4,112	
Internal balances	11,216	-	-	-	-	-	11,216	
Total liabilities	<u>11,216</u>	<u>30,056</u>	<u>36,760</u>	<u>62</u>	<u>67,265</u>	<u>-</u>	<u>145,359</u>	
<u>FUND BALANCES</u>								
Restricted Balance	22,022	12,011	391,154	15,583	829,508	9,226	1,279,504	
Total fund balances	<u>22,022</u>	<u>12,011</u>	<u>391,154</u>	<u>15,583</u>	<u>829,508</u>	<u>9,226</u>	<u>1,279,504</u>	
Total liabilities and fund balances	<u>\$ 33,238</u>	<u>\$ 42,067</u>	<u>\$ 427,914</u>	<u>\$ 15,645</u>	<u>\$ 896,773</u>	<u>\$ 9,226</u>	<u>\$ 1,424,863</u>	

City of Duneedin, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2012

	Capital Projects					Grand Total Nonmajor Governmental Funds
	Debt Service	County Gas Tax	Parks & Recreation Capital Improvement	Capital Improvement	Capital Projects Total	
ASSETS						
Cash and cash equivalents	\$ 112,712	\$ 970,468	\$ 157,748	\$ 350,160	\$ 1,478,376	\$ 2,972,573
Accounts Receivable	-	-	1,500	-	1,500	11,140
Due from other governments	-	74,148	94,959	-	169,107	202,345
Deposits	-	-	-	-	-	500
Total assets	<u>\$ 112,712</u>	<u>\$ 1,044,616</u>	<u>\$ 254,207</u>	<u>\$ 350,160</u>	<u>\$ 1,648,983</u>	<u>\$ 3,186,558</u>
LIABILITIES						
Accounts payable	\$ -	\$ 119,172	\$ 86,323	\$ 8,285	\$ 213,780	\$ 293,325
Contracts payable	-	24,245	26,114	-	50,359	57,054
Accrued salaries payable	-	-	-	-	-	7,596
Accrued interest receivable	-	-	-	-	-	36,195
Deposits payable	-	-	-	-	-	4,112
Internal balances	-	-	-	-	-	11,216
Total liabilities	<u>-</u>	<u>143,417</u>	<u>112,437</u>	<u>8,285</u>	<u>264,139</u>	<u>409,498</u>
FUND BALANCES						
Restricted Balance	112,712	901,199	-	-	901,199	2,293,415
Committed	-	-	141,770	341,875	483,645	483,645
Total fund balances	<u>112,712</u>	<u>901,199</u>	<u>141,770</u>	<u>341,875</u>	<u>1,384,844</u>	<u>2,777,060</u>
Total liabilities and fund balances	<u>\$ 112,712</u>	<u>\$ 1,044,616</u>	<u>\$ 254,207</u>	<u>\$ 350,160</u>	<u>\$ 1,648,983</u>	<u>\$ 3,186,558</u>

City of Dunedin, Florida
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended September 30, 2012

	Special Revenue							Special Revenue Total
	Government Grants	Dunedin Stadium	Impact Fees	Library Co-Op	Community Redevelopment Agency	G. Koutsourias Youth		
REVENUES								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ 372,873	\$ -	\$ -	\$ 372,873
Intergovernmental revenues	-	797,984	-	286,391	-	-	-	1,084,375
Charges for services	-	328,388	-	-	-	-	-	328,388
Impact fees	-	-	27,985	-	-	-	-	27,985
Investment earnings (loss)	(59)	163	2,671	217	6,125	69	69	9,186
Contributions and donations	-	-	-	-	-	2,700	2,700	2,700
Other revenue / grants	22,022	18,067	-	-	68,636	-	-	108,725
Total revenues	<u>21,963</u>	<u>1,144,602</u>	<u>30,656</u>	<u>286,608</u>	<u>447,634</u>	<u>2,769</u>	<u>-</u>	<u>1,934,232</u>
EXPENDITURES								
Current:								
Transportation	-	-	474	-	-	-	-	474
Economic environment	-	-	-	-	445,600	-	-	445,600
Culture and recreation	22,022	437,270	-	429,558	-	10,098	-	898,948
Capital projects:								
Transportation	-	-	20,116	-	-	-	-	20,116
Economic environment	-	-	-	-	492,234	-	-	492,234
Culture and recreation	-	79,205	-	-	-	-	-	79,205
Debt service:								
Principal	-	777,895	-	-	-	-	-	777,895
Interest	-	297,289	-	-	-	-	-	297,289
Aids and grants	-	-	-	-	38,154	-	-	38,154
Total expenditures	<u>22,022</u>	<u>1,591,659</u>	<u>20,590</u>	<u>429,558</u>	<u>975,988</u>	<u>10,098</u>	<u>-</u>	<u>3,049,915</u>
Excess of revenues over (under) expenditures	(59)	(447,057)	10,066	(142,950)	(528,354)	(7,329)	-	(1,115,683)
OTHER FINANCING SOURCES (USES)								
Transfers in	21,789	581,308	-	110,601	12,779	-	-	726,477
Transfers out	(1,400)	(227,230)	(90,224)	-	(25,000)	-	-	(343,854)
Total other financing sources (uses)	<u>20,389</u>	<u>354,078</u>	<u>(90,224)</u>	<u>110,601</u>	<u>(12,221)</u>	<u>-</u>	<u>-</u>	<u>382,623</u>
Net change in fund balances	20,330	(92,979)	(80,158)	(32,349)	(540,575)	(7,329)	(7,329)	(733,060)
Fund balances - beginning	1,692	104,990	471,312	47,932	1,370,083	16,555	16,555	2,012,564
Fund balances - ending	<u>\$ 22,022</u>	<u>\$ 12,011</u>	<u>\$ 391,154</u>	<u>\$ 15,583</u>	<u>\$ 829,508</u>	<u>\$ 9,226</u>	<u>\$ -</u>	<u>\$ 1,279,504</u>

City of Duneedin, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2012

	Debt Service		Capital Projects				Grand Total Nonmajor Governmental Funds
	Debt Service Fund	County Gas Tax	Parks & Recreation Capital Improvement	Capital Improvement	Capital Projects Total	Capital Projects Total	
REVENUES							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 372,873
Intergovernmental revenues	-	469,822	49,504	-	519,326	-	1,603,701
Charges for services	-	-	-	-	-	-	328,388
Impact fees	-	-	-	-	-	-	27,985
Investment earnings / (loss)	307	3,216	1,195	1,562	5,973	5,973	15,466
Contributions and donations	-	-	40,000	-	40,000	-	42,700
Other revenue	-	-	6,000	-	6,000	-	114,725
Total revenues	307	473,038	96,699	1,562	571,299	571,299	2,505,838
EXPENDITURES							
Current:							
General government	-	-	-	103,761	103,761	-	103,761
Transportation	-	1,330	-	-	1,330	-	1,804
Economic environment	-	-	-	-	-	-	445,600
Culture and recreation	-	-	1,435	-	1,435	-	900,383
Capital projects:							
General government	-	-	-	147,835	147,834	-	147,834
Public safety	-	-	-	10,995	10,995	-	10,995
Transportation	-	442,125	-	-	442,125	-	462,241
Economic environment	-	-	-	-	-	-	492,234
Culture and recreation	-	-	677,673	-	677,673	-	756,878
Debt service:							
Principal	-	-	-	-	-	-	777,895
Interest	1,898	-	-	-	-	-	299,187
Aids and grants	-	-	-	-	-	-	38,154
Total expenditures	1,898	443,455	679,108	262,591	1,385,153	1,385,153	4,436,966
Revenues over (under) expenditures	(1,591)	29,583	(582,409)	(261,029)	(813,854)	(813,854)	(1,931,128)
OTHER FINANCING SOURCES (USES)							
Transfers in	111,656	500,000	596,351	356,402	1,452,753	1,452,753	2,290,886
Transfers out	-	-	(229,500)	-	(229,500)	(229,500)	(573,354)
Total other financing sources (uses)	111,656	500,000	366,851	356,402	1,223,253	1,223,253	1,717,532
Net change in fund balances	110,065	529,583	(215,558)	95,373	409,399	409,399	(213,596)
Fund balances - beginning	2,647	371,616	357,328	246,502	975,445	975,445	2,990,656
Fund balances - ending	\$ 112,712	\$ 901,199	\$ 141,770	\$ 341,875	\$ 1,384,844	\$ 1,384,844	\$ 2,777,060

City of Dunedin, Florida
Government Grants Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Grants - federal	\$ -	\$ 15,000		\$ (15,000)
Investment earnings / (loss)	-	-	(59)	(59)
Other miscellaneous revenue	-	-	22,022	22,022
Total revenues	<u>-</u>	<u>15,000</u>	<u>21,963</u>	<u>6,963</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	-	12,008	22,022	(10,014)
Total expenditures	<u>-</u>	<u>12,008</u>	<u>22,022</u>	<u>(10,014)</u>
Revenues over (under) expenditures	<u>-</u>	<u>2,992</u>	<u>(59)</u>	<u>(3,051)</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in	-	-	21,789	21,789
Transfers out	-	-	(1,400)	(1,400)
Total other financing sources	<u>-</u>	<u>-</u>	<u>20,389</u>	<u>20,389</u>
Net change in fund balance	-	2,992	20,330	17,338
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>1,692</u>	<u>1,692</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 2,992</u>	<u>\$ 22,022</u>	<u>\$ 19,030</u>

City of Dunedin, Florida
Stadium Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Charges for services:				
Blue Jay ticket sales	\$ 225,000	\$ 225,000	\$ 275,546	\$ 50,546
Parking/concessions	25,000	25,000	29,751	4,751
Intergovernmental revenues	797,980	797,980	797,984	4
Miscellaneous revenues:				
Investment earnings / (loss)	-	-	163	163
Other miscellaneous revenue	26,000	26,000	41,158	15,158
Total revenues	<u>1,073,980</u>	<u>1,073,980</u>	<u>1,144,602</u>	<u>70,622</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	244,289	250,273	437,270	(186,997)
Capital outlay:				
Culture and recreation	-	-	79,205	(79,205)
Debt service				
Principal	777,897	893,985	777,895	116,090
Interest	297,291	190,287	297,289	(107,002)
Total expenditures	<u>1,319,477</u>	<u>1,334,545</u>	<u>1,591,659</u>	<u>(257,114)</u>
Revenues over (under) expenditures	<u>(245,497)</u>	<u>(260,565)</u>	<u>(447,057)</u>	<u>(186,492)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	381,308	631,308	581,308	(50,000)
Transfers out	(125,000)	(125,000)	(227,230)	(102,230)
Total other financing sources (uses)	<u>256,308</u>	<u>506,308</u>	<u>354,078</u>	<u>(152,230)</u>
Net change in fund balances	10,811	245,743	(92,979)	(338,722)
Fund balances - beginning	<u>17,198</u>	<u>17,198</u>	<u>104,990</u>	<u>87,792</u>
Fund balances - ending	<u>\$ 28,009</u>	<u>\$ 262,941</u>	<u>\$ 12,011</u>	<u>\$ (250,930)</u>

City of Dunedin, Florida
Impact Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Transportation impact fees	\$ 6,000	\$ 5,000	\$ 27,985	\$ 22,985
Miscellaneous revenues:				
Investment earnings / (loss)	-	-	2,671	2,671
Total revenues	<u>6,000</u>	<u>5,000</u>	<u>30,656</u>	<u>25,656</u>
<u>EXPENDITURES</u>				
Current:				
Transportation	-	-	474	(474)
Capital outlay:				
Transportation	25,000	25,200	20,116	5,084
Total expenditures	<u>25,000</u>	<u>25,200</u>	<u>20,590</u>	<u>4,610</u>
Excess of Revenues over (under) expenditures	<u>(19,000)</u>	<u>(20,200)</u>	<u>10,066</u>	<u>30,266</u>
<u>OTHER FINANCING USES</u>				
Transfers in	6,000	-	-	-
Transfers out	<u>(22,000)</u>	<u>(90,224)</u>	<u>(90,224)</u>	<u>-</u>
Total other financing uses	<u>(16,000)</u>	<u>(90,224)</u>	<u>(90,224)</u>	<u>-</u>
Net change in fund balances	(35,000)	(110,424)	(80,158)	30,266
Fund balances - beginning	<u>969,888</u>	<u>639,269</u>	<u>471,312</u>	<u>(167,957)</u>
Fund balances - ending	<u><u>\$ 934,888</u></u>	<u><u>\$ 528,845</u></u>	<u><u>\$ 391,154</u></u>	<u><u>\$ (137,691)</u></u>

City of Dunedin, Florida
Dunedin Library Co-Op
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Miscellaneous revenues:				
Intergovernmental revenues	\$ 280,292	\$ 280,292	\$ 286,391	\$ 6,099
Investment earnings / (loss)	-	-	217	217
Total revenues	<u>280,292</u>	<u>280,292</u>	<u>286,608</u>	<u>6,316</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	443,264	443,264	429,558	13,706
Total expenditures	<u>443,264</u>	<u>443,264</u>	<u>429,558</u>	<u>13,706</u>
Revenues over (under) expenditures	<u>(162,972)</u>	<u>(162,972)</u>	<u>(142,950)</u>	<u>20,022</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in	<u>110,601</u>	<u>110,601</u>	<u>110,601</u>	<u>-</u>
Total other financing sources	<u>110,601</u>	<u>110,601</u>	<u>110,601</u>	<u>-</u>
Net change in fund balances	(52,371)	(52,371)	(32,349)	20,022
Fund balances - beginning	<u>52,371</u>	<u>52,371</u>	<u>47,932</u>	<u>(4,439)</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,583</u></u>	<u><u>\$ 15,583</u></u>

City of Dunedin, Florida
Community Redevelopment Agency Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes:				
Property	\$ 374,844	\$ 374,844	\$ 372,873	\$ (1,971)
Miscellaneous revenues:				
Investment earnings / (loss)	-	-	6,125	6,125
Other revenues / grants	58,334	58,334	68,636	10,302
Total revenues	<u>433,178</u>	<u>433,178</u>	<u>447,634</u>	<u>14,456</u>
<u>EXPENDITURES</u>				
Current:				
Economic environment	401,376	468,752	445,600	23,152
Capital projects:				
Economic environment	366,800	925,749	492,234	433,515
Aids and grants	65,000	75,000	38,154	36,846
Total expenditures	<u>833,176</u>	<u>1,469,501</u>	<u>975,988</u>	<u>493,513</u>
Revenues over (under) expenditures	<u>(399,998)</u>	<u>(1,036,323)</u>	<u>(528,354)</u>	<u>507,969</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in	-	-	12,779	(12,779)
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total other financing sources	<u>(25,000)</u>	<u>(25,000)</u>	<u>(12,221)</u>	<u>(12,779)</u>
Net change in fund balances	(424,998)	(1,061,323)	(540,575)	520,748
Fund balances - beginning	<u>663,971</u>	<u>923,309</u>	<u>1,370,083</u>	<u>446,774</u>
Fund balances - ending	<u><u>\$ 238,973</u></u>	<u><u>\$ (138,014)</u></u>	<u><u>\$ 829,508</u></u>	<u><u>\$ 967,522</u></u>

City of Dunedin, Florida
G. Koutsourais Youth Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Miscellaneous revenues:				
Investment earnings / (loss)	\$ -	\$ -	\$ 69	\$ 69
Contributions and donations	-	-	2,700	2,700
Total revenues	<u>-</u>	<u>-</u>	<u>2,769</u>	<u>2,769</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	-	-	10,098	(10,098)
Total expenditures	<u>-</u>	<u>-</u>	<u>10,098</u>	<u>(10,098)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(7,329)</u>	<u>(7,329)</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>16,555</u>	<u>16,555</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,226</u></u>	<u><u>\$ 9,226</u></u>

City of Dunedin, Florida
Capital Improvement Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Miscellaneous revenues:				
Investment earnings / (loss)	\$ -	\$ -	\$ 307	\$ 307
Total revenues	<u>-</u>	<u>-</u>	<u>307</u>	<u>307</u>
<u>EXPENDITURES</u>				
Debt service:				
Interest	-	5,662	1,898	3,764
Total expenditures	<u>-</u>	<u>5,662</u>	<u>1,898</u>	<u>3,764</u>
Revenues over (under) expenditures	<u>-</u>	<u>(5,662)</u>	<u>(1,591)</u>	<u>4,071</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in	-	111,656	111,656	-
Total other financing sources	<u>-</u>	<u>111,656</u>	<u>111,656</u>	<u>-</u>
Net change in fund balances	-	105,994	110,065	4,071
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>2,647</u>	<u>2,647</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ 105,994</u></u>	<u><u>\$ 112,712</u></u>	<u><u>\$ 6,718</u></u>

City of Dunedin, Florida
County Gas Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Local option gas tax	\$ 484,800	\$ 484,800	\$ 469,822	\$ (14,978)
Miscellaneous revenues:				
Investment earnings / (loss)	526	526	3,216	2,690
Other	-	18,000	-	(18,000)
Total revenues	<u>485,326</u>	<u>503,326</u>	<u>473,038</u>	<u>(30,288)</u>
<u>EXPENDITURES</u>				
Current:				
Transportation	-	61,593	1,330	60,263
Capital projects:				
Transportation	1,019,102	1,072,717	442,125	630,592
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,019,102</u>	<u>1,134,310</u>	<u>443,455</u>	<u>690,855</u>
Deficiency of revenues				
Revenues over (under) expenditures	<u>(533,776)</u>	<u>(630,984)</u>	<u>29,583</u>	<u>660,567</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	500,000	500,000	500,000	-
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	(33,776)	(130,984)	529,583	660,567
Fund balances - beginning	<u>322,532</u>	<u>419,741</u>	<u>371,616</u>	<u>(48,125)</u>
Fund balances - ending	<u><u>\$ 288,756</u></u>	<u><u>\$ 288,757</u></u>	<u><u>\$ 901,199</u></u>	<u><u>\$ 612,442</u></u>

City of Dunedin, Florida
Parks & Recreation Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Grants - state	\$ 100,000	\$ 100,000	\$ 49,504	\$ (50,496)
Miscellaneous revenues:				
Investment earnings / (loss)	-	-	1,195	1,195
Contributions	-	-	13,000	13,000
Other Misc Revenue	33,000	33,000	33,000	
Total revenues	<u>133,000</u>	<u>133,000</u>	<u>96,699</u>	<u>(36,301)</u>
<u>EXPENDITURES</u>				
Current:			-	
Culture and recreation	-	925	1,435	(510)
Capital outlay:				
Culture and recreation	935,910	900,204	677,673	222,531
Aids and grants	-	-	-	-
Total expenditures	<u>935,910</u>	<u>901,129</u>	<u>679,108</u>	<u>222,021</u>
Revenues over (under) expenditures	<u>(802,910)</u>	<u>(768,129)</u>	<u>(582,409)</u>	<u>185,720</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	348,481	353,481	596,351	242,870
Transfers out	-	(229,500)	(229,500)	-
Total other financing sources (uses)	<u>348,481</u>	<u>123,981</u>	<u>366,851</u>	<u>242,870</u>
Net change in fund balances	(454,429)	(644,148)	(215,558)	428,590
Fund balances - beginning	<u>454,429</u>	<u>621,273</u>	<u>357,328</u>	<u>(263,945)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ (22,875)</u>	<u>\$ 141,770</u>	<u>\$ 164,645</u>

City of Dunedin, Florida
Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Miscellaneous revenues:				
Investment earnings / (loss)	\$ -	\$ -	\$ 1,562	\$ 1,562
Total revenues	<u>-</u>	<u>-</u>	<u>1,562</u>	<u>1,562</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	48,914	103,761	(54,847)
Capital outlay:				
General government	176,000	631,869	147,835	484,034
Public safety	-	10,995	10,995	-
Total expenditures	<u>176,000</u>	<u>691,778</u>	<u>262,591</u>	<u>429,187</u>
Revenues over (under) expenditures	<u>(176,000)</u>	<u>(691,778)</u>	<u>(261,029)</u>	<u>430,749</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	99,752	406,402	356,402	(50,000)
Total other financing sources (uses)	<u>99,752</u>	<u>406,402</u>	<u>356,402</u>	<u>(50,000)</u>
Net change in fund balances	(76,248)	(285,376)	95,373	380,749
Fund balances - beginning	<u>76,248</u>	<u>176,409</u>	<u>246,502</u>	<u>70,093</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ (108,967)</u></u>	<u><u>\$ 341,875</u></u>	<u><u>\$ 450,842</u></u>

Internal Service Funds

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

Vehicle Maintenance Fund

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 Fund

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 Fund

Property Casualty Fund - 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.

Health Benefits Fund - To account for the City's self-insured medical insurance and employee medical clinic alliance with the City of Clearwater, Fl.

City of Dunedin
Internal Service Funds
Combining Statement of Net Assets
September 30, 2012

	<u>Vehicle Maintenance</u>	<u>Building Maintenance</u>	<u>Self Insurance</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,584,887	\$ 1,321,168	\$ 3,958,753	\$ 7,864,808
Accounts receivable	-	50	12,623	12,673
Advances to other funds	-	-	663,784	663,784
Inventories	100,693	-	-	100,693
Prepaid items	-	-	32,028	32,028
Deposits	-	-	100,000	100,000
Total current assets	<u>2,685,580</u>	<u>1,321,218</u>	<u>4,767,188</u>	<u>8,773,986</u>
Noncurrent assets:				
Capital assets:				
Buildings	464,718	3,207,610	-	3,672,328
Improvements other than buildings	4,744	-	-	4,744
Machinery and equipment	12,299,594	186,018	48,050	12,533,662
Less: accumulated depreciation	<u>(8,247,067)</u>	<u>(1,164,412)</u>	<u>(5,262)</u>	<u>(9,416,741)</u>
Total capital assets, net of accumulated depreciation	<u>4,521,989</u>	<u>2,229,216</u>	<u>42,788</u>	<u>6,793,993</u>
Total assets	<u>7,207,569</u>	<u>3,550,434</u>	<u>4,809,976</u>	<u>15,567,979</u>
LIABILITIES				
Current liabilities:				
Accounts payable	19,235	8,434	157,830	185,499
Accrued salaries payable	20,060	19,192	7,577	46,829
Accrued Expenses	12,305	40,574	10,282	63,161
Accrued interest payable	37,106	-	-	37,106
Capital leases payable - current	399,619	-	-	399,619
Total current liabilities	<u>488,325</u>	<u>68,200</u>	<u>175,689</u>	<u>732,214</u>
Capital leases payable	686,087	-	-	686,087
Compensated absences	124,321	130,555	-	254,876
OPEB liability	9,098	9,535	2,970	21,603
Claims liabilities	-	-	363,373	363,373
Total noncurrent liabilities	<u>819,506</u>	<u>140,090</u>	<u>366,343</u>	<u>1,325,939</u>
Total liabilities	<u>1,307,831</u>	<u>208,290</u>	<u>542,032</u>	<u>2,058,153</u>
NET ASSETS				
Invested in capital assets, net of related debt	3,436,283	2,229,216	42,788	5,708,287
Restricted	-	-	-	-
Unrestricted	2,463,455	1,112,928	4,225,156	7,801,539
Total net assets	<u>\$ 5,899,738</u>	<u>\$ 3,342,144</u>	<u>\$ 4,267,944</u>	<u>\$ 13,509,826</u>

City of Dunedin
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Fiscal Year Ended September 30, 2012

	<u>Vehicle Maintenance</u>	<u>Building Maintenance</u>	<u>Self Insurance</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 3,173,195	\$ 1,213,993	\$ 5,367,241	\$ 9,754,429
Miscellaneous revenue	757	26,878	79,039	106,674
Total operating revenues	<u>3,173,952</u>	<u>1,240,871</u>	<u>5,446,280</u>	<u>9,861,103</u>
Operating expenses:				
Personal services	598,810	638,073	222,622	1,459,505
Supplies and services	1,231,146	636,317	4,377,064	6,244,527
Depreciation	1,008,015	199,316	1,710	1,209,041
Total operating expenses	<u>2,837,971</u>	<u>1,473,706</u>	<u>4,601,396</u>	<u>8,913,073</u>
Operating income / (loss)	<u>335,981</u>	<u>(232,835)</u>	<u>844,884</u>	<u>948,030</u>
Nonoperating revenues (expenses):				
Investment earnings / (loss)	15,214	5,135	22,227	42,576
Interest/amortization expense	(44,674)	-	-	(44,674)
Gain / (Loss) on sale of capital assets	36,693	-	-	36,693
Total nonoperating revenues (expenses)	<u>7,233</u>	<u>5,135</u>	<u>22,227</u>	<u>34,595</u>
Income before contributions and transfers	343,214	(227,700)	867,111	982,625
Transfers in	211,234	1,568,444	-	1,779,678
Transfers out	<u>(211,234)</u>	<u>(110,000)</u>	<u>-</u>	<u>(321,234)</u>
Change in net assets	343,214	1,230,744	867,111	2,441,069
Total net assets - beginning	<u>5,556,524</u>	<u>2,111,400</u>	<u>3,400,833</u>	<u>11,068,757</u>
Total net assets - ending	<u><u>\$ 5,899,738</u></u>	<u><u>\$ 3,342,144</u></u>	<u><u>\$ 4,267,944</u></u>	<u><u>\$ 13,509,826</u></u>

City of Dunedin
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2012

	Vehicle Maintenance	Building Maintenance	Self Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,173,195	\$ 1,214,538	\$ 5,414,010	\$ 9,801,743
Payments to suppliers	(1,289,895)	(678,376)	(4,176,015)	(6,144,286)
Payments to employees	(570,875)	(569,276)	(203,425)	(1,343,576)
Other operating revenue	757	26,878	79,039	106,674
Net cash provided by (used in) operating activities	<u>1,313,182</u>	<u>(6,236)</u>	<u>1,113,609</u>	<u>2,420,555</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	211,234	1,568,444	-	1,779,678
Transfers out	(211,234)	(110,000)	-	(321,234)
Loan to Water/Sewer fund	-	-	(663,784)	(663,784)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>1,458,444</u>	<u>(663,784)</u>	<u>794,660</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	36,693	-	-	36,693
Purchase of capital assets	(806,825)	(634,570)	(40,613)	(1,482,008)
Principal paid on capital debt	(1,088,534)	-	-	(1,088,534)
Interest paid on capital debt	(65,317)	-	-	(65,317)
Net cash provided by (used in) capital and related financing activities	<u>(1,923,983)</u>	<u>(634,570)</u>	<u>(40,613)</u>	<u>(2,599,166)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings received	15,214	5,135	22,227	42,576
Net cash provided by (used in) investing activities	<u>15,214</u>	<u>5,135</u>	<u>22,227</u>	<u>42,576</u>
Net increase (decrease) in cash and cash equivalents	(595,587)	822,773	431,439	658,625
Cash and cash equivalents - October 1	3,180,474	498,395	3,527,314	7,206,183
Cash and cash equivalents - September 30	<u>\$ 2,584,887</u>	<u>\$ 1,321,168</u>	<u>\$ 3,958,753</u>	<u>\$ 7,864,808</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income / (loss)	\$ 335,981	\$ (232,835)	\$ 844,884	\$ 948,030
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	1,008,015	199,316	1,710	1,209,041
Accounts receivable	-	545	46,769	47,314
Inventories	12,265	-	-	12,265
Prepaid items	-	-	(32,028)	(32,028)
Increase (decrease) in				
Accounts payable	(50,543)	(42,059)	18,966	(73,636)
Accrued expenses	(20,471)	20,786	11,815	12,130
Accrued wages payable	20,060	19,192	-	39,252
Claims liabilities	-	-	219,981	219,981
Compensated absences / OPEB	7,875	28,819	1,512	38,206
Total adjustments	<u>977,201</u>	<u>226,599</u>	<u>268,725</u>	<u>1,472,525</u>
Net cash provided by (used in) operating activities	<u>\$ 1,313,182</u>	<u>\$ (6,236)</u>	<u>\$ 1,113,609</u>	<u>\$ 2,420,555</u>

City of Dunedin, Florida
Balance Sheet
Dunedin Community Redevelopment Agency
September 30, 2012

Assets

Cash and cash equivalents	\$	887,133
Accounts receivable		9,640
Prepaid items		-

Total Assets	\$	896,773
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Liabilities

Accounts and contracts payable	\$	19,924
Accrued expenses		43,729
Deposits payable		3,612
Total Liabilities		67,265

Fund Balance

Restricted		811,259
Unrestricted		18,249
Total Fund Balance		829,508

Total Liabilities and Fund Balance	\$	896,773
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City of Dunedin, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Dunedin Community Redevelopment Agency
For the Fiscal Year Ended September 30, 2012

Revenues

Taxes:

Property	\$ 372,873
Investment earnings/(loss)	6,125
Other revenue	68,636
Total revenues	447,634

Expenditures

Current:

Economic environment	445,600
Capital Projects:	
Economic environment	492,234
Aid and grants	38,154
Total expenditures	975,988

Excess of Revenues over Expenditures (528,354)

Other Financing Sources (Uses)

Transfers in	12,779
Transfers out	(25,000)

Net Change in Fund Balance (540,575)

Fund Balance - Beginning 1,370,083

Fund Balance -Ending \$ 829,508

**DUNEDIN COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Dunedin Community Redevelopment Agency (CRA) 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 Community Redevelopment Agency (CRA) is a dependent special district in Dunedin, Florida (the City). The CRA was established on May 12, 1988, in accordance with Chapter 163, Part III of the Florida Statutes. The CRA is a legally separate entity established by City Ordinance 88-16 (ratified and readopted by City Ordinance 91-9). The purpose of the Authority is to coordinate projects and programs to improve the economic viability of the downtown Main Street area of Dunedin.

The financial statements of the City include all governmental functions and operations controlled by or dependent on the City. Accordingly, the financial statements of the City include the CRA as a special revenue fund type component unit.

B. BASIS OF PRESENTATION

The CRA's financial statements consist of the fund financial statements and notes to the financial statements.

Fund Financial Statements

The accounts of the CRA are organized on the basis of funds, and are considered a separate accounting entity. Fund structures, where applicable, have been designed to comply with all requirements of the bond resolutions and regulatory provisions or administrative action. The operations of the CRA are accounted for with a separate set of self-balancing accounts comprised of its assets, liabilities, equities, revenues and expenditures, or expenses, as appropriate. The only fund for the CRA is a governmental fund. Governmental funds focus primarily on the sources, uses, and balances of current financial resources.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of

**DUNEDIN COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements, not the measurement focus applied.

The CRA's financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified basis of accounting, revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Primary revenue sources which have been treated as susceptible to accrual include, where material, charges for services, interest earnings, and certain other revenues such as taxes and other intergovernmental revenues. Revenues not considered available are recorded as deferred revenues. Expenditures are generally recognized under the modified basis of accounting when the related liability is incurred. Typical exceptions include principal and interest on general long-term debt which is recognized when due and certain portions of compensated absences.

NOTE II – REVENUES AND EXPENSES

A. REVENUES

Revenues of the CRA include ad valorem taxes, investment earnings, and cleaning and rental fees for greenmarket and craft shows.

Tax increment revenues are collected from the City and are the primary source of revenue for the CRA. The tax increment revenue is calculated by applying the adopted millage rate of the City to the increase in the current year taxable assessed valuations over the 1988 base year taxable assessed valuations for all properties located within the CRA's boundaries. The City is required to pay 95% of these incremental property taxes to the CRA. The increase in taxable assessed valuations of property within the boundaries over the base year valuations is presumed to be the result of the redevelopment efforts of the CRA. The calculation of tax increment revenues for the year ended September 30, 2012, was as follows:

**DUNEDIN COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE II – REVENUES AND EXPENSES (CONTINUED)

A. REVENUES (CONTINUED)

	City of Dunedin	Pinellas County
Assessed property value for 2012	\$ 82,801,635	\$ 83,069,795
Assessed property value for the 1988 base year	35,411,500	35,411,500
Increase in assessed property value	47,390,135	47,658,295
Assessed property value subject to incremental incremental ad valorem property tax (95%)	45,020,628	45,275,380
Millage rate	3.3817	4.8730
Tax increment revenue transferred to Agency	\$ 152,246	\$ 220,627

B. EXPENDITURES

Expenditures of the CRA include the cost of certain land improvements and operating maintenance.

NOTE III – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a schedule of interfund receivables and payables as of September 30, 2012:

Transfer to Dunedin Community Redevelopment Agency from Dunedin Stormwater Fund	\$ 12,779
Total transfers in	<u>\$ 12,779</u>
Transfer from Dunedin Community Redevelopment Agency to Dunedin Historical Society to subsidize Dunedin Historical Society operations in the CRA district	\$ 25,000
Total transfers out	<u>\$ 25,000</u>

“Dedicated To Quality Service”



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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	E-3
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time	
Revenue Capacity	E-11
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax	
Debt Capacity	E-17
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future	
Demographic and Economic Information	E-23
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place	
Operating Information	E-27
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs	

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

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Financial Trends

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:										
Invested in capital assets, net of related debt	\$ 56,781,075	\$ 57,690,458	\$ 52,017,214	\$ 49,216,594	\$ 41,859,854	\$ 40,891,053	\$ 29,656,802	\$ 19,580,030	\$ 25,673,683	\$ 21,070,522
Restricted	3,969,398	3,309,277	919,351	666,759	1,492,721	1,580,164	1,452,082	11,747,673	2,263,755	4,122,498
Unrestricted	8,382,340	10,834,009	14,804,273	18,340,972	14,346,049	14,337,285	21,095,377	15,959,974	15,434,163	13,621,877
Total governmental activities net assets	\$ 69,132,812	\$ 71,833,744	\$ 67,740,838	\$ 68,224,325	\$ 57,698,624	\$ 56,808,502	\$ 52,204,261	\$ 47,287,677	\$ 43,371,601	\$ 38,814,897
Business type activities:										
Invested in capital assets, net of related debt	33,259,017	35,573,590	33,375,182	32,324,908	31,123,487	30,462,861	44,330,427	46,477,869	45,351,725	45,740,661
Restricted	1,015,491	8,719,804	9,734,525	12,119,646	11,491,080	13,757,080	4,677,025	4,443,428	4,897,856	5,240,067
Unrestricted	23,293,206	10,028,817	10,567,261	6,829,020	10,189,363	8,530,258	5,042,180	4,144,475	6,374,375	5,789,297
Total business type activities net assets	\$ 57,567,714	\$ 54,322,211	\$ 53,676,968	\$ 51,273,574	\$ 52,803,930	\$ 52,750,199	\$ 54,049,632	\$ 55,065,772	\$ 56,623,956	\$ 56,770,025
Primary government:										
Invested in capital assets, net of related debt	90,040,091	93,264,048	85,392,396	81,541,502	72,983,341	71,353,914	73,987,229	66,057,899	71,025,408	66,811,183
Restricted	4,984,889	12,029,081	10,653,876	12,786,405	12,983,801	15,337,244	6,129,107	16,191,101	7,161,611	9,362,565
Unrestricted	31,675,546	20,862,826	25,371,534	25,169,992	24,535,412	22,867,543	26,137,557	20,104,449	21,808,538	19,411,174
Total primary government activities net assets	\$ 126,700,526	\$ 126,155,955	\$ 121,417,806	\$ 119,497,899	\$ 110,502,554	\$ 109,558,701	\$ 106,253,893	\$ 102,353,449	\$ 99,995,557	\$ 95,584,922

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EXPENSES										
Governmental activities:										
General government	\$ 2,428,449	\$ 2,169,100	\$ 2,499,304	\$ 3,681,315	\$ 2,578,302	\$ 2,964,692	\$ 2,489,508	\$ 2,177,358	\$ 1,616,858	\$ 1,747,698
Public safety	11,296,238	11,514,839	11,691,457	12,653,234	12,240,372	12,120,351	11,453,193	11,287,223	10,279,511	10,035,496
Physical environment	-	314,305	-	-	825	869	650	834	23,346	3,640
Transportation	1,897,883	2,248,772	2,226,040	1,839,363	2,610,475	(662,178)	2,125,973	2,258,259	1,337,617	1,905,403
Economic development	508,474	\$ 384,451	\$ 507,328	\$ 467,325	\$ 323,734	\$ 87,537	\$ 58,935	\$ 88,207	\$ 91,417	\$ 34,645
Culture and recreation	9,673,676	9,599,618	9,772,233	9,931,370	10,727,942	10,829,741	9,009,384	9,559,058	8,071,251	7,758,198
Interest on long term debt	642,358	920,611	772,810	834,618	866,910	966,878	1,085,875	837,648	904,118	828,206
Total governmental activities expenses	26,447,077	27,151,696	27,429,169	29,447,228	29,348,560	26,307,890	26,223,518	26,208,587	22,324,118	22,313,286
Business type activities:										
Solid waste	4,700,689	4,957,784	4,577,524	4,571,427	4,832,211	4,947,866	4,619,519	5,156,394	4,541,315	4,199,414
Water / sewer utility	16,647,088	17,122,361	16,661,525	18,511,182	17,899,287	17,244,324	14,490,880	14,197,584	14,278,420	13,479,564
Reclaimed water	-	-	-	-	(25,237)	(5,549)	1,622,107	1,478,474	1,453,574	1,485,628
Stormwater utility	2,150,715	1,892,990	1,792,841	1,615,538	1,729,016	1,365,579	1,196,132	1,207,654	1,173,210	1,255,618
Marina	458,798	491,495	484,848	478,476	469,475	471,605	432,949	353,576	252,462	275,201
Golf course	35,254	71,010	378,065	603,161	613,178	699,414	682,164	595,229	470,054	371,330
Total business type activities expenses	23,992,544	24,535,640	23,894,803	25,779,784	25,517,930	24,723,239	23,043,751	22,988,910	22,169,035	21,066,755
Total primary government expenses	\$ 50,439,621	\$ 51,687,336	\$ 51,323,972	\$ 55,227,012	\$ 54,866,490	\$ 51,031,129	\$ 49,267,269	\$ 49,197,497	\$ 44,493,153	\$ 43,380,041
PROGRAM REVENUES										
Governmental activities:										
Charges for services	-	-	-	-	-	-	-	-	-	-
General government	3,558,410	3,008,565	2,899,019	2,518,229	2,634,437	2,526,975	2,837,017	2,769,789	2,515,123	2,281,445
Physical environment	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic development	129,946	110,152	126,548	95,097	89,631	104,354	130,241	149,967	73,394	290,154
Culture and recreation	2,190,448	2,138,344	2,543,144	2,739,619	3,037,989	2,575,098	2,546,850	1,811,469	1,652,917	1,764,750
Operating grants and contributions	45,361	137,880	228,748	415,025	190,371	407,785	543,267	588,149	465,311	363,014
Capital grants and contributions	1,837,921	1,656,723	1,941,343	10,311,831	1,426,814	951,232	1,375,691	3,664,873	2,417,088	1,728,855
Total governmental activities program revenues	7,562,086	7,051,664	7,738,802	16,079,801	7,379,242	6,565,444	7,433,066	8,984,247	7,123,833	6,428,218
Business type activities:										
Charges for services										
Solid waste	5,010,962	4,975,022	5,551,050	5,269,810	5,084,949	4,919,341	4,680,412	4,757,036	4,483,547	3,937,894
Water / sewer utility	16,826,489	15,895,494	15,618,206	15,344,070	15,532,604	14,825,081	13,371,989	12,889,356	13,259,705	11,748,952
Reclaimed water	-	-	-	-	-	-	663,878	345,407	400,349	250,624
Stormwater utility	2,693,752	2,270,391	1,887,145	1,682,977	1,640,783	1,689,650	1,628,155	1,327,234	1,375,541	948,013
Marina	471,043	473,373	433,559	443,924	418,032	420,218	409,465	387,409	325,176	345,785
Golf course	(903)	25	214,859	473,021	552,518	595,071	570,035	481,781	423,885	282,080
Operating grants and contributions	7,113	7,113	-	571,527	571,527	113,645	3,666	3,666	-	-
Capital grants and contributions - parking fee	2,114,029	822,883	628,771	973,045	763,242	104,997	316,281	290,976	613,275	1,626,430
Total business type activities revenues	27,115,372	24,444,301	24,333,590	24,186,847	24,563,655	22,668,003	21,640,215	20,479,199	20,885,144	19,139,778
Total primary government program revenues	\$ 34,677,458	\$ 31,495,965	\$ 32,072,392	\$ 40,266,648	\$ 31,942,897	\$ 29,233,447	\$ 29,073,281	\$ 29,463,446	\$ 28,008,977	\$ 25,567,996
NET EXPENSE										
Governmental activities	(18,884,991)	(20,100,032)	(19,690,367)	(13,367,427)	(21,969,318)	(19,742,446)	(18,790,452)	(17,224,340)	(15,200,285)	(15,885,068)
Business type activities	3,122,828	(91,339)	438,787	(1,592,937)	(954,275)	(2,055,236)	(1,403,536)	(2,509,711)	(1,283,891)	(1,926,977)
Total primary government net (expense) / revenue	\$(15,762,163)	\$(20,191,371)	\$(19,251,580)	\$(14,960,364)	\$(22,923,593)	\$(21,797,682)	\$(20,193,988)	\$(19,734,051)	\$(16,484,176)	\$(17,812,045)

* GASB 34 implemented in Fiscal Year 2002

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:										
Taxes:										
Property taxes	\$ 6,096,273	\$ 6,540,293	\$ 7,277,630	\$ 8,364,594	\$ 9,212,358	\$ 9,982,922	\$ 8,844,774	\$ 7,662,303	\$ 7,063,015	\$ 6,016,687
Utility service taxes	4,208,418	4,534,665	4,807,075	4,713,985	4,248,062	4,273,255	4,253,827	4,095,884	4,134,755	4,306,796
Infrastructure sales surtax	2,810,128	2,674,927	2,720,927	4,727,908	3,708,123	3,188,280	3,603,251	3,509,710	3,163,833	2,995,546
Half cent sales tax	1,864,750	1,846,028	1,793,787	1,808,035	1,983,182	2,083,144	2,178,564	2,131,371	2,068,375	1,955,366
Franchise taxes	2,541,409	2,707,724	2,935,741	2,811,613	2,474,338	2,600,247	2,618,432	2,222,492	2,094,111	2,004,600
Other taxes	81,917	83,596	76,239	73,668	102,781	76,095	-	439,041	434,986	127,504
State revenue sharing	1,158,749	1,170,693	1,243,130	1,134,958	1,276,949	1,378,296	1,411,285	1,370,847	1,158,923	904,694
Grants and contributions not restricted to specific programs	-	-	1,639	-	-	-	-	21,397	20,833	36,586
Unrestricted investment earnings	76,561	95,313	146,429	(85,633)	340,398	664,200	825,776	302,899	303,299	235,644
Gain / (loss) on sale of capital assets	(37,708)	30,918	24,693	149,744	-	236,061	25,885	(54,221)	976	17,582
Transfers	(40,416)	(658,074)	(1,820,411)	(104,160)	(486,751)	(135,813)	(54,758)	(561,305)	(686,117)	(145,014)
Total governmental activities revenues	18,760,081	19,026,083	19,206,879	23,594,712	22,859,440	24,346,687	23,707,036	21,140,418	19,756,989	18,455,991
Business type activities:										
Unrestricted investment earnings	77,763	78,508	143,825	(43,434)	521,255	614,206	332,637	415,439	454,492	480,696
Loss on sale of capital assets	4,495	-	371	1,855	-	5,784	-	(25,215)	(2,787)	(86,543)
Transfers	40,416	658,074	1,820,411	104,160	486,751	135,813	54,758	561,305	686,117	145,014
Total business type activities	122,674	736,582	1,964,607	62,581	1,008,006	755,803	387,395	951,529	1,137,822	539,167
Total primary government revenues	\$ 18,882,755	\$ 19,762,665	\$ 21,171,486	\$ 23,657,293	\$ 23,867,446	\$ 25,102,490	\$ 24,094,431	\$ 22,091,947	\$ 20,894,811	\$ 18,995,158
CHANGE IN NET ASSETS										
Governmental activities	(124,911)	(1,073,949)	(483,488)	10,227,285	890,122	4,604,241	4,916,584	3,916,078	4,556,704	2,570,923
Business type activities	3,245,503	645,243	2,403,394	(1,530,356)	53,731	(1,299,433)	(1,016,141)	(1,558,182)	(146,069)	(1,387,810)
Total primary government	\$ 3,120,592	\$ (428,706)	\$ 1,919,906	\$ 8,696,929	\$ 943,853	\$ 3,304,808	\$ 3,900,443	\$ 2,357,896	\$ 4,410,635	\$ 1,183,113

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

Fiscal Year	Property	Franchise	Utility Service	Total
2003	6,016,687	2,004,600	4,306,796	12,328,083
2004	7,063,015	2,094,111	4,134,755	13,291,881
2005	7,662,303	2,222,492	4,095,884	13,980,679
2006	8,844,774	2,618,432	4,253,827	15,717,033
2007	9,982,922	2,600,247	4,273,255	16,856,424
2008	9,212,358	2,474,338	4,248,062	15,934,758
2009	8,364,594	2,811,613	4,713,985	15,890,192
2010	7,277,630	2,935,741	4,807,075	15,020,446
2011	6,540,293	2,707,724	4,534,665	13,782,682
2012	6,096,273	2,541,409	4,208,418	12,846,100

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

	2010	2009	2008	2007	2006	2005	2004	2003
General fund:								
Reserved	\$ 1,071,515	\$ 571,004	\$ 1,542,808	\$ 1,547,748	\$ 1,172,899	\$ 1,186,618	\$ 1,391,468	\$ 1,358,170
Unreserved	7,658,106	7,470,489	6,392,564	7,039,453	7,382,400	6,657,589	7,058,463	6,903,068
Total general fund	\$ 8,729,621	\$ 8,041,493	\$ 7,935,372	\$ 8,587,201	\$ 8,555,299	\$ 7,844,207	\$ 8,449,931	\$ 8,261,238
All other governmental funds:								
Reserved, reported in:								
Special revenue funds	525,082	15,319	334,605	3,193,297	54,685	1,170,995	2,398,481	872,787
Capital projects funds	562,702	279,355	27,410	154,142	423,505	10,362,798	591,375	2,411,835
Unreserved, reported in:								
Special revenue funds	2,546,222	5,915,014	4,417,004	998,488	7,473,489	4,676,052	2,675,596	1,199,498
Capital projects funds	707,512	667,991	911,711	814,596	3,545,504	1,393,716	1,291,290	2,335,611
Total all other governmental funds	\$ 4,341,518	\$ 6,877,679	\$ 5,690,730	\$ 5,160,523	\$ 11,497,183	\$ 17,603,561	\$ 6,956,742	\$ 6,819,731
General fund:								
Nonspendable	22,670	15,275	255,599					
Restricted	567,305	627,388	612,627					
Committed	-	-	-					
Assigned	242,303	2,020,923	562,133					
Unassigned	3,944,684	4,984,151	7,302,058					
Total general fund	4,776,962	7,647,737	8,732,417					
All other governmental funds:								
Nonspendable	-	742	59,076					
Restricted	3,379,423	2,681,888	3,782,026					
Committed	483,645	603,830	397,793					
Assigned	-	-	-					
Unassigned	-	-	99,827					
Total all other governmental funds	3,863,068	3,286,460	4,338,722					

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

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
REVENUES										
Taxes	\$ 12,846,100	\$ 13,782,682	\$ 15,020,446	\$ 15,890,192	\$ 15,934,758	\$ 16,856,424	\$ 15,717,033	\$ 13,980,679	\$ 13,291,881	\$ 12,328,083
Licenses, fees and permits	971,988	754,756	732,845	445,622	491,412	561,566	840,240	962,809	639,369	555,621
Intergovernmental	7,519,245	7,429,830	8,251,620	18,955,257	8,971,822	8,026,149	8,824,756	10,444,576	9,028,401	7,888,959
Charges for services	5,621,731	5,393,724	5,369,511	5,679,455	5,558,004	5,236,041	5,066,509	4,825,858	5,021,375	4,482,710
Fines and forfeits	178,739	220,901	119,427	184,190	210,618	220,350	229,994	176,260	280,435	228,503
Interest earnings	47,478	77,993	122,088	(64,719)	338,180	729,396	1,069,178	419,102	283,811	284,889
Miscellaneous	592,798	702,380	735,251	556,292	880,385	726,037	889,520	1,563,088	1,101,400	1,095,500
Total revenues	27,778,079	28,362,266	30,351,188	41,646,289	32,385,179	32,355,963	32,637,230	32,372,372	29,646,672	26,864,265
EXPENDITURES										
General government	2,975,639	3,026,559	3,273,169	3,543,512	3,661,825	3,629,824	3,598,907	3,241,021	3,053,704	2,978,588
Public safety	1,182,563	11,252,343	11,781,242	11,876,309	11,653,936	11,395,437	10,741,490	10,533,630	9,601,978	8,829,569
Physical environment	-	-	-	-	825	869	650	834	23,346	3,640
Transportation	1,543,624	1,656,767	1,785,106	1,869,700	1,957,496	2,173,323	1,905,992	1,992,043	1,915,753	1,729,077
Economic development	445,600	409,780	466,280	394,828	323,734	87,537	58,935	88,207	91,417	34,411
Culture and recreation	7,728,248	7,329,256	7,934,753	8,126,402	8,670,406	9,028,183	8,020,637	7,781,134	7,089,003	6,513,513
Capital outlay	2,476,284	3,624,709	4,198,061	11,924,208	2,794,170	6,832,634	13,930,227	3,989,158	9,963,391	4,843,057
Aids and grants	186,329	211,860	166,233	515,203	170,801	75,100	80,000	17,232	223,351	130,334
Debt service:										
Principal	1,424,928	1,584,307	1,297,789	2,356,923	1,668,241	4,428,527	2,252,986	2,877,448	940,349	1,051,871
Interest	610,170	680,752	741,855	835,723	887,607	989,180	937,599	772,714	658,745	708,873
Total expenditures	28,573,386	25,939,764	31,644,488	41,442,808	31,789,041	38,640,614	41,527,423	31,293,421	33,561,037	26,822,933
Excess of revenues over expenditures	(795,307)	2,422,502	(1,293,300)	203,481	596,138	(6,284,651)	(8,890,193)	1,078,951	(3,914,365)	41,332
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	-	-	-	1,181,800	-	230,507	-	-	-	-
Debt proceeds	-	-	-	-	-	-	3,900,000	9,784,806	4,900,000	-
Transfers in	3,258,292	1,696,012	2,405,836	3,870,555	5,028,788	2,500,023	2,292,929	1,434,793	1,941,309	3,655,949
Transfers out	(4,757,152)	(2,418,887)	(3,259,235)	(3,962,516)	(5,746,548)	(2,750,637)	(2,698,022)	(2,257,455)	(2,601,240)	(4,699,068)
Total other financing sources (uses)	(1,498,860)	(4,559,444)	(853,399)	1,089,839	(717,760)	(20,107)	3,494,907	8,962,144	4,240,069	(1,043,119)
Net change in fund balances	\$(2,294,166)	\$(2,136,942)	\$(2,146,699)	\$ 1,293,320	\$(121,622)	\$(6,304,758)	\$(5,395,286)	\$ 10,041,095	\$ 325,704	\$(1,001,787)
Debt service as a percentage of noncapital expenditures	5.8%	6.5%	5.0%	8.8%	6.1%	16.2%	8.9%	11.8%	4.2%	5.1%

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

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Economic Development	Culture and Recreation	Capital Outlay	Debt Service	Transfers Out	Other	Total
2003	2,978,588	8,829,569	3,640	1,729,077	34,411	6,513,513	4,843,057	1,760,744	4,699,068	130,334	31,522,001
2004	3,053,704	9,601,978	23,346	1,915,753	91,417	7,089,003	9,963,391	1,599,094	2,601,240	223,351	36,162,277
2005	3,241,021	10,533,630	834	1,992,043	88,207	7,781,134	3,989,158	3,650,162	2,257,455	17,232	33,550,876
2006	3,598,907	10,741,490	650	1,905,992	58,935	8,020,637	13,930,227	3,190,585	2,698,022	80,000	44,225,445
2007	3,629,824	11,395,437	869	2,173,323	87,537	9,028,183	6,832,634	5,417,707	2,750,637	75,100	41,391,251
2008	3,661,825	11,653,936	825	1,957,496	323,734	8,670,406	2,794,170	2,555,848	5,746,548	170,801	37,535,589
2009	3,543,512	11,876,309	-	1,869,700	394,828	8,126,402	11,924,208	3,192,646	3,962,516	515,203	45,405,324
2010	3,273,169	11,781,242	-	1,785,106	466,280	7,934,753	4,198,061	2,039,644	3,259,235	166,233	34,903,723
2011	3,026,559	11,252,343	-	1,656,767	409,780	7,329,256	3,624,709	2,265,059	2,418,887	211,860	32,195,220
2012	2,975,639	11,182,563	-	1,543,624	445,600	7,728,248	2,476,284	2,035,098	4,757,152	186,329	33,330,538

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

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

Revenue Capacity

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

FY Ended Sept 30,	Real Property						Total Direct Tax Rate ²	Estimated Actual Market Value ³	Taxable Assessed Value as a % of Actual Value
	Residential Property	Commercial Property	Industrial Property	Other Property ¹	Personal Property	Total Taxable Assessed Value			
2003	1,101,905,100	193,455,200	18,121,700	22,597,740	126,792,910	1,462,872,650	4.1166	2,306,982,500	63.4%
2004	1,232,782,800	205,269,200	19,199,700	22,520,300	127,929,960	1,607,701,960	4.4253	2,533,204,966	63.5%
2005	1,363,160,900	223,925,300	20,449,600	24,658,100	127,960,240	1,760,154,140	4.4253	2,808,887,675	62.7%
2006	1,579,976,600	241,563,400	23,694,200	28,758,200	123,476,459	1,997,468,859	4.4253	3,233,337,399	61.8%
2007	1,870,050,313	310,996,460	27,036,900	34,806,491	102,039,260	2,344,929,424	4.0934	3,955,244,190	59.3%
2008	2,055,969,822	321,438,745	27,796,700	41,619,755	106,309,880	2,553,134,902	3.5597	4,211,355,400	60.6%
2009	1,813,363,664	351,142,490	28,083,500	37,006,566	89,119,848	2,318,716,068	3.5597	3,921,795,310	59.1%
2010	1,570,371,303	280,821,157	26,056,165	59,651,262	86,727,617	2,023,627,504	3.5597	3,278,182,101	61.7%
2011	1,424,191,373	249,278,430	22,754,140	49,882,330	81,301,215	1,827,407,488	3.5597	2,884,900,277	63.3%
2012	1,395,841,673	238,010,568	21,718,717	39,462,381	76,782,855	1,771,816,194	3.3817	2,742,388,004	64.6%
Change 2011 - 2012	-1.99%	-4.52%	-4.55%	-20.89%	-5.56%	-3.04%	-5.00%	-4.94%	

(1) Other Property includes Agricultural, Institutional, Government, Leasehold Interests, Miscellaneous, and Non-Agriculture Acreage
(2) City of Dunedin tax rates per \$1,000 of assessed value
(3) "Just Value" as determined by the Pinellas County Property Appraiser

Source: Pinellas County Property Appraiser

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

Taxpayer	September 30, 2012				September 30, 2003			
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
Mac Alpine Place Apt.	\$ 32,300,000	1	1.18%		\$ 20,535,000	1	1.40%	
Walnut & Vine Properties II LLC	15,239,850	2	0.56%					
Chesapeake Apartments	14,000,000	3	0.51%		12,100,000	2	0.83%	
MHC Lake Haven LLC	9,095,000	4	0.33%					
Odyssey DP I LLC	7,525,000	5	0.27%					
SES Group - Windemere LTD	7,138,058	6	0.26%					
Scottish Towers II Apt LTD Partnership	6,850,000	7	0.25%					
Publix Super Markets Inc	6,615,000	8	0.24%		5,916,000	8	0.40%	
Coca-Cola Co Inc	6,526,278	9	0.24%		5,837,100	9	0.40%	
Doheny-Vidovich Partners	6,250,000	10	0.23%		6,600,000	6	0.45%	
Phoenix Home Life								
Nielson Media Research, Inc.					10,879,000	3	0.74%	
Orangeland Vistas, Inc.					9,600,000	4	0.66%	
Lessor, Jason K.					7,943,100	5	0.54%	
Dallas Corporate Square					6,400,000	7	0.44%	
Olympia Development Group					5,761,900	10	0.39%	
SUB-TOTAL:	111,539,186		4.07%		91,572,100		6.25%	
ALL OTHERS:	2,630,848,818		95.93%		1,371,300,550		93.75%	
TOTAL:	<u>\$2,742,388,004</u>		100.00%		<u>\$1,462,872,650</u>		100.00%	

Source: Pinellas County Property Appraiser

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

FY Ended Sept 30,	Taxable Assessed Valuation	Millage Tax Rate	Total Tax Levy	Collected within the Fiscal Year of the Levy			Total Collections to Date	
				Amount ¹	Percentage of Levy	Delinquent Collections ²	Amount	Percentage of Levy
2003	1,462,872,650	4.1166	6,022,062	5,778,528	96.0%	18,885	5,797,413	96.3%
2004	1,607,701,960	4.4253	7,114,563	6,760,523	95.0%	17,182	6,777,705	95.3%
2005	1,760,154,140	4.4253	7,789,210	7,299,459	93.7%	16,863	7,316,322	93.9%
2006	1,997,468,859	4.4253	8,839,399	8,347,924	94.4%	7,773	8,355,697	94.5%
2007	2,344,929,424	4.0934	9,598,734	9,016,741	93.9%	11,716	9,028,457	94.1%
2008	2,553,134,902	3.5597	9,088,394	8,075,170	88.9%	439,190	8,514,360	93.7%
2009	2,318,716,068	3.5597	9,304,361	7,731,980	83.1%	22,968	7,754,948	83.4%
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%

(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

“Dedicated To Quality Service”



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Debt Capacity

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

Fiscal Year	Governmental Activities			Business Type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Revenue	Capital		Water / Sewer & Stormwater	Capital				
	Bonds	Leases		Bonds	Leases				
2003	12,329,768	3,909,120		18,121,267	-		34,360,155	2.86%	927
2004	16,651,043	2,891,746		16,690,824	-		36,233,613	2.94%	974
2005	24,151,757	1,651,020		14,727,981	-		40,530,758	3.25%	1,083
2006	22,968,165	911,361		14,005,615	-		37,885,141	2.83%	1,008
2007	21,411,326	1,387,855		28,252,680	-		51,051,861	3.56%	1,356
2008	19,730,418	1,312,117		26,843,018	-		47,885,553	4.52%	1,275
2009	17,373,495	1,953,199		24,693,131	-		44,019,825	4.20%	1,223
2010	16,075,706	1,663,588		23,845,710	-		41,585,004	4.42%	1,158
2011	14,491,400	2,174,240		20,842,993	-		37,508,633	3.77%	1,062
2012	13,066,481	1,085,706		23,776,000	-		37,929,187	3.84%	1,065

(1) See the schedule of Demographic and Economic Statistics on page E-26 for personal income and population data

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

City of Dunedin, Florida
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds
September 30, 2012

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVERLAPPING DEBT
Overlapping debt:			
Pinellas County School Board	\$ 23,854,166		
Total overlapping debt	\$ 23,854,166	3.200%	\$ 763,333
City direct debt			<u>1,085,076</u>
Total direct and overlapping debt			<u><u>1,848,409</u></u>

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

 City Taxable Value: \$ 1,771,816,194

 County Taxable Value: \$ 55,437,302,023

(2) The City of Dunedin currently does not have any general obligation debt. Included are capital obligations only.

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 Revenues¹	Operating Expenses²	Net Revenue Available for Debt Service	Debt Service Requirements³	Coverage Ratio
2003	\$ 13,727,330	\$ 10,875,971	\$ 2,851,359	\$ 2,490,469	1.14
2004	15,674,310	11,840,458	3,833,852	2,315,772	1.65
2005	15,078,269	11,728,757	3,349,512	1,924,713	1.74
2006	16,012,925	12,115,834	3,897,091	1,944,756	2.00
2007	16,828,565	12,821,283	4,007,282	1,949,609	2.06
2008	18,397,808	13,239,576	5,158,232	2,465,204	2.09
2009	17,227,189	13,989,999	3,237,190	2,583,954	1.25
2010	17,454,334	12,481,590	4,972,744	2,457,283	2.02
2011	18,133,758	12,945,494	5,188,264	2,486,758	2.09
2012	16,876,998	10,925,824	5,951,174	2,605,576 ⁴	2.28

(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) The debt service coverage requirement at 125% for FY 2012 was \$3,256,969.

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

Fiscal Year	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³	Coverage Ratio
2012	\$ 2,707,168	\$ 1,298,022	\$ 1,409,146	\$ 225,513	6.25

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

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

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

(4) The debt service coverage requirement at 125% for FY 2012 was \$281,892.

City of Dunedin, Florida
Schedule of Debt Service Ratio

Description	Actual September 30 2012	Budget September 30 2012	Adopted Budget September 30 2013
Total Governmental Revenues	\$ 27,778,079	\$ 28,490,338	\$ 28,093,941
Internal Service Revenues:			
Rental Income	26,136	25,632	25,632
Non-Operating: Investment earnings	42,576	22,500	-
Total Internal Services Revenues	68,712	48,132	25,632
Total Annual Revenues - September 30	<u>27,846,791</u>	<u>28,538,470</u>	<u>28,119,573</u>
Total Annual General Government Debt Service exclusive of Enterprise Funds, Internal Service Funds and Special Assessment Debt Service	<u>2,035,098</u>	<u>2,035,098</u>	<u>1,908,033</u>
Debt Service Ratio	<u>7.31%</u>	<u>7.13%</u>	<u>6.79%</u>
Total Capacity Debt Service (12.5%)	3,480,849	3,567,309	3,514,947
Less: Current Debt Service	2,035,098	2,035,098	1,908,033
Excess Debt Service Available	1,445,751	1,532,211	1,606,914
Excess Outstanding Debt Service Available			
10 Years	11,344,945	12,023,403	12,609,604
20 Years	18,532,665	19,640,968	20,598,563

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

Debt Description	September 30 2011	September 30 2012	Adopted Budget September 30 2013
Community Center \$10M Series 2005	\$ 718,469	\$ 719,819	\$ 721,189
Spring Training Facilities \$12M Series 2001 Revenue Note	1,075,184	1,075,184	1,075,188
MLK/Shapiro Property \$4.9M Series 2003 Capital Improvement	106,622	238,197	-
Toronto Blue Jays \$250K, Spring Training Facilities	143,263	-	-
Palm Boulevard Resurfacing \$944K Series 2002	221,472	1,898	111,656
Total Annual General Government Debt Service	<u>\$ 2,265,010</u>	<u>\$ 2,035,098</u>	<u>\$ 1,908,033</u>

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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
2003	37,081	1,201,721,048	32,408	43.9	4.5%
2004	37,217	1,234,376,239	33,167	43.7	3.8%
2005	37,426	1,246,884,616	33,316	44.0	3.7%
2006	37,574	1,337,897,418	35,607	44.2	3.1%
2007	37,662	1,434,357,270	38,085	43.0	3.8%
2008	37,561	1,060,084,103	28,223	48.2	6.2%
2009	35,988	1,046,998,884	29,093	47.6	10.2%
2010	35,920	941,463,200	26,210	48.2	11.3%
2011	35,321	995,875,595	28,195	51.3	10.3%
2012	35,629	987,208,332	27,708	51.1	8.0%

Data Source:

- (1) FY 2003 - 2010: City-data.com; FY 2011: 2010 US Census Results; FY 2012: Pinellas Co. Economic Development
- (2) Calculated using the above displayed Population and Per Capita Income figures
- (3) FY 2003 - 2010: City-data.com; FY 2011: 2010 US Census Results; FY 2012: Pinellas Co. Economic Development
- (4) FY 2003 - 2010: Munitinguide.com; FY 2011: 2010 US Census Results; FY 2012: Pinellas Co. Economic Development
- (5) Bureau of Labor Statistics; Not Seasonally Adjusted; FY 2012 unemployment rate shown as of September 30, 2012

**City of Dunedin, Florida
Principal Employers ¹
Current Year and Six Years Ago ³**

Employer	September 30, 2012			September 30, 2006		
	Employees	Rank	Percentage of Total City Employment ²	Employees	Rank	Percentage of Total City Employment ²
Pinellas School System	618	1	3.98%	556	3	3.33%
Mease Dunedin Hospital	563	2	3.63%	697	2	4.18%
Publix	346	3	2.23%			
City of Dunedin	340	4	2.19%	402	4	2.41%
Mease Manor	300	5	1.93%	306	5	1.83%
Pinellas County Sheriff - N District	174	6	1.12%			
Coca-Cola North America	168	7	1.08%	220	6	1.32%
Consumer Sales Solutions	150	8	0.97%			
Bon Appetit	100	9	0.64%			
Ocean Optics	63	10	0.41%			
Nielsen Media Research				1,296	1	7.77%
TOTAL	2,659		18.19%	2,181		13.07%

(1) Source: Community Services Department

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

Total employment for 2012 15,515

Total employment for 2006 16,685

(3) Data not available prior to 2006

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Operating Information

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

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government	52.730	55.500	52.225	55.351	63.351	59.351	59.851	57.851	54.730	52.860
Public Safety										
Fire	22.000	22.000	22.000	22.000	22.000	23.000	20.500	20.500	19.500	19.500
Paramedics	33.000	33.000	33.000	33.000	33.000	33.000	36.000	36.000	36.000	36.000
Culture and recreation	76.000	75.500	82.000	89.000	97.570	96.965	92.965	92.840	91.000	90.670
Highways and streets										
Engineering	15.000	15.500	15.000	16.000	16.000	15.000	15.000	15.000	15.000	15.000
Maintenance	9.670	9.660	9.000	11.000	12.000	16.833	16.833	16.833	16.830	16.830
Facilities	9.680	9.660	12.000	12.000	24.000	23.333	23.333	23.333	22.330	22.330
Fleet Services	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500
Solid Waste	26.000	28.000	28.000	28.000	28.000	28.000	28.000	28.000	28.000	25.000
Water	32.000	32.000	29.000	30.000	30.000	30.000	30.000	30.000	31.000	32.000
Wastewater	36.000	38.000	47.000	47.000	50.000	50.000	50.000	51.000	51.000	50.000
Stormwater	11.670	10.660	10.000	10.000	10.000	10.333	10.333	10.333	10.333	8.330
TOTAL	332.250	337.980	347.725	361.851	394.421	394.315	391.315	390.190	384.223	377.020

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

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Fire										
Number of fire emergencies with dollar loss**	115	108	110	111	704	108	108	175	185	178
EMS responses	5,138	5,012	4,973	4,895	5,372	5,472	5,472	4,804	4,667	4,664
Other calls	1,372	1,462	1,988	1,816	384	1,295	1,295	2,443	2,014	1,809
Inspections	1,396	1,509	1,596	1,484	1,376	1,007	1,007	977	489	3,900
Investigations	97	88	108	77	55	71	71	69	66	45
Highways and streets										
Streets paved (miles)	130	130	130	130	130	130	130	*	*	*
Streets unimproved (miles)	3	3	3	3	3	3	3	*	*	*
Street lights	3,568	3,568	3,568	3,568	3,568	3,568	3,540	3,463	3,463	3,373
Culture and recreation										
Recreation facilities - parks (acres)	322.0	322.0	322.0	322.0	322.0	322.0	322.0	322.0	322.0	322.0
Recreation facilities - beaches (acres)	36.6	36.6	36.6	36.6	36.6	36.6	36.6	*	*	*
Library materials	135,945	139,623	146,909	131,098	128,977	147,444	136,350	134,824	149,458	137,515
Library annual circulation	632,382	656,507	600,951	483,303	443,157	434,678	412,569	423,650	473,683	469,879
Library registered borrowers	29,756	26,439	29,735	27,477	32,858	29,994	17,302	26,612	46,996	45,909
Solid waste										
Customers serviced	14,453	14,473	14,492	14,596	14,546	14,496	14,390	14,116	13,250	12,750
Refuse / recycling collected (tons)	35,618	38,425	40,656	41,053	45,796	45,100	51,414	55,651	39,675	39,233
Water										
Total connections - regular ***	11,435	10,958	10,894	11,536	11,394	11,363	11,363	11,231	11,151	11,320
Total connections - reclaimed ***	3,395	3,396	3,395	3,343	3,323	3,383	3,233	3,233	3,185	2,871
Average daily consumption - regular	3,514	3,020,000	3,256,000	3,269,000	3,396,000	3,546,000	3,616,000	3,784,000	3,767,000	3,767,000
Average daily consumption - reclaimed	2,850	2,670,000	2,600,000	2,800,000	3,139,000	3,269,000	3,173,000	2,584,000	3,143,000	3,143,000
Operating wells	26	22	26	26	26	26	26	27	28	28
Sewer (wastewater)										
Miles of sanitary sewers	128	128	128	128	128	128	128	180	180	138
Lift stations	42	42	42	42	42	42	42	*	*	*
Average daily sewage treatment	4,370,000	4,390,000	4,596,000	4,613,000	4,382,000	4,382,000	4,900,000	4,966,000	4,966,000	4,966,000

* Information not available

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

*** As of 2011, description changed from "New connections" to "Total connections" to clarify reported statistics

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

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Culture and recreation										
Baseball fields	12	12	12	12	12	12	12	12	14	14
Baseball stadium / training facility (seating capacity)	5,509	5,509	5,509	5,509	\$ 5,509	5,509	5,500	*	*	*
Basketball - indoor courts	1	1	1	1	1	1	1	1	1	1
Basketball - outdoor courts	5	5	5	5	5	5	5	5	5	5
Community center	1	1	1	1	1	1	1	1	1	1
Fishing areas	15	15	15	15	14	14	7	*	*	*
Golf courses	2	2	2	2	2	2	2	*	*	*
Library	2	2	2	2	2	1	1	*	*	*
Marina (slips)	194	194	194	194	194	194	194	*	*	*
Multi-purpose indoor court	1	1	1	1	1	1	1	*	*	*
Nature center	1	1	1	1	1	1	1	*	*	*
Parks	32	32	31	31	30	30	22	22	22	22
Picnic areas	15	15	15	15	15	15	7	*	*	*
Public boat ramps	1	1	1	1	1	1	1	*	*	*
Recreation centers	3	3	3	3	3	3	3	*	*	*
Senior center	1	1	1	1	1	1	1	*	*	*
Soccer / football fields	4	4	4	4	4	4	4	*	*	*
Softball fields	3	3	3	3	3	3	3	*	*	*
State and county parks	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	11	11	11	11	11	11	11	*	*	*
Utility playfields	4	4	4	4	4	4	4	*	*	*
Water										
Water mains (miles)	172	172	172	172	172	172	166	*	*	*
Water plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	1,220	1,220	1,220	1,220	1,220	1,206	1,185	*	*	*
Sewer (wastewater)										
Mains	150	150	150	150	150	149	165	*	*	*
Treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers (miles)	128	128	128	128	128	128	128	180	180	138

* Information not available

CITY OF DUNEDIN, FLORIDA
SINGLE AUDIT AND OTHER AUDITOR REPORTS
YEAR ENDED SEPTEMBER 30, 2012

**CITY OF DUNEDIN, FLORIDA
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SINGLE AUDIT AND OTHER REQUIRED REPORTS



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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 the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dunedin, Florida (the "City") as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 30, 2013. Our report includes a reference to other auditors. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors 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, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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

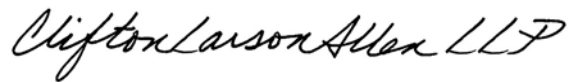
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described as IC 2010-01 in the accompanying schedule of findings and questioned costs to be a material weakness.

Compliance and Other Matters

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

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it

This report is intended solely for the information and use of management, the Mayor and Members of the City Commission, federal and state awarding agencies, pass-through entities and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Tampa, Florida
April 30, 2013



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH CHAPTER 10.550 RULES OF THE AUDITOR GENERAL**

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

Compliance

We have audited the compliance of the City of Dunedin, Florida (the "City") with the types of compliance requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of its major state projects for the year ended September 30, 2012. The City's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project 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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2012.

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

Internal Control Over Compliance

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

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of State Financial Assistance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2012, and have issued our report thereon dated April 30, 2013. Our report includes a reference to other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, Rules of the Auditor General and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole.

This report is intended solely for the information and use of management, the Mayor and Members of the City Commission, state awarding agencies, pass-through entities and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Tampa, Florida
April 30, 2013

CITY OF DUNEDIN, FLORIDA
 SCHEDULE OF EXPENDITURES OF
 STATE FINANCIAL ASSISTANCE
 YEAR ENDED SEPTEMBER 30, 2012

State Agency State Project	CSFA Number	Contract/Grant Number	Award Amount	Expenditures
<u>Department of Revenue</u>				
Direct Program				
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	\$ 10,000,000	\$ 500,004
<u>Department of Transportation</u>				
Direct Program				
Highway Beautification Grants	55.003	AQ690	\$ 30,000	22,022
Total state financial assistance			\$	522,026

**CITY OF DUNEDIN, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2012**

NOTE I – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Financial Assistance presents the activity of all state financial assistance of the City and is presented on the accrual basis of accounting. The information presented is in accordance with the requirements of Chapter 10.550, Rules of the Auditor General of the State of Florida. A Schedule of Expenditures of Federal Awards was not included because, under the requirements of Office of Management and Budget (OMB) Circular A-133, such schedule is not required to be presented if annual expenditures of federal awards are under \$500,000. For the fiscal year ended September 30, 2012, the City had expended federal awards totaling \$49,504.

NOTE II – CONTINGENCIES

The state projects listed in the Schedule of Expenditures of State Financial Assistance are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowable expenditures, and affect the City's continued participation in specific programs or projects. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**CITY OF DUNEDIN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
YEAR ENDED SEPTEMBER 30, 2012**

SECTION I – SUMMARY OF AUDITORS’ RESULTS:

<u>Financial Statements</u>	<u>Results</u>
Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiencies identified not considered to be a material weakness(es)	None reported
Noncompliance material to financial statements noted?	No

State Financial Assistance

Internal control over major projects:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be a material weakness(es)	None reported
Type of auditors’ report issued on compliance for major projects?	Unqualified
Any audit findings disclosed that are required to be reported in accordance with –	
Florida Single Audit Act	No

Identification of Major Projects

<u>State</u>	<u>Name of Program or Cluster</u>	
CSFA 73.016	Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise	
Dollar threshold used to distinguish between Type A and Type B programs/projects:		\$150,000

**CITY OF DUNEDIN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
YEAR ENDED SEPTEMBER 30, 2012**

SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

IC 2010-01

Criteria

City management is responsible for establishing and maintaining internal controls for the proper recording of all of the City's receipts and disbursements, including proper classification of balances within each fund, year-end accruals of both revenues and expenses, and analysis and recording of significant estimates.

Condition

As part of the audit, we proposed audit adjustments to revise the City's books at year-end. The following errors below were not detected by management and were subsequently adjusted after audit inquiry:

- Significant estimates, such the self insured healthcare claims reserve, net other post-employment benefit obligation (OPEB), and net pension asset had either not been evaluated or were inaccurately reported on the financial statements prior to commencement of audit testing.
- Certain transactions relating to long term debt and related interest expense had not been properly recorded to the general ledger as a result of debt refunding activity that occurred in the water/sewer utility and stormwater utility funds.
- The process to record receipts relating to annual business license fees collected at or near year end was not properly performed.
- Various other account balances contained misstatements as a result of not making necessary accrual adjustments to certain accounts, recording balances within fund balance categories incorrectly, and other miscellaneous errors identified as a result of audit procedures, all of which were subsequently corrected.
- There is not a formal review process in place to detect and ultimately correct any material errors or omissions within the financial statements prepared by management. Management made significant corrections and other adjustments to the draft of the Comprehensive Annual Financial Report (CAFR) that were detected as a result of our audit procedures.

Cause

A formal year-end closing process of the accounting records was not adequately performed.

Effect

The design of the internal controls over recording receipts and disbursements, including reclassifications, could affect the ability of the City to prevent, or detect and correct misstatements on a timely basis.

**CITY OF DUNEDIN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
YEAR ENDED SEPTEMBER 30, 2012**

SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS (CONTINUED)

IC 2010-01

Recommendation

We recommend that the City's internal controls be supplemented through additional steps to the periodic closing of its accounting records in order to document that express verification, review and necessary approvals be made prior to commencement of the external audit. Personnel with an adequate understanding of the accounts should be assigned verification and review responsibility, and the responsibility for insuring the overall completeness and timeliness of the closing process should be expressly designated. Key steps in the closing process shall include ensuring that general ledger account balances are properly reconciled to supporting schedules, and all revenues and receivables as well as expenses and related liabilities are recorded in the proper period. By implementing these controls to enhance accountability and establish formality in the review process, such errors may be prevented in future periods.

Views of responsible officials and planned corrective actions

Management concurs with finding. The recommended entries were made. The closing process will be formally documented and personnel with adequate understanding of the accounts will be assigned verification and review responsibility for insuring the overall completeness of the process. A formal review of accounts balances will be done periodically during the year to ensure all transactions have been recorded properly and that general ledger accounts balances reconcile to supporting schedules. Corrective action will be implemented through the remainder of FY2013 and during the closing process for the fiscal year ended September 30, 2013.

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS:

None reported

SECTION IV – PRIOR YEAR MAJOR STATE PROJECT AUDIT FINDINGS AND QUESTIONED COSTS:

None reported



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**MANAGEMENT LETTER
BASED ON RULE 10.554(1)(i) OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

We have audited the financial statements of the City of Dunedin, Florida (the "City"), as of and for the fiscal year ended September 30, 2012 and have issued our report thereon dated April 30, 2013. Our report includes a reference to 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. Other auditors 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*. We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major State Project and on Internal Control Over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated April 30, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- 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 significant findings and recommendations made in the preceding annual financial audit report. Refer to the heading below under Appendix A - Prior Year Findings and Recommendations, which addresses the corrective actions taken to address findings and recommendations made in the preceding annual financial report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City's policy complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, fraud, illegal acts 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 more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

- Section 10.554(1)(i)6., 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. This information is disclosed in the notes to the financial statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(l), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2012 filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2012. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), 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.

The 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, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Tampa, Florida
April 30, 2013

**CITY OF DUNEDIN, FLORIDA
SEPTEMBER 30, 2012**

APPENDIX A – PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Prior Year Findings		Current Year Status		
		Cleared	Partially Cleared	Not Cleared
Finding Reference #	Comment/Description			
IC 2010-01	See IC 2010-01 within the Schedule of Findings and Questioned Costs			X
IC 2010-03	Purchasing Card Usage	X		
MLC 2009-01	Purchasing Card Usage	X		
MLC 2009-03	Cash Collection and Reconciliation – MLK Center and Highland Pool	X		
MLC 2011-01	Façade Program	X		