

**CITY OF DUNEDIN, FL
FISCAL YEAR ENDING
September 30, 2017**



**Comprehensive Annual
Financial Report**
"Dedicated to Quality Service"

DUNEDIN

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CITY OF DUNEDIN, FLORIDA

Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2017

CITY COMMISSION

JULIE WARD BUJALSKI
Mayor

DEBORAH KYNES
Vice Mayor

JOHN TORNGA
Commissioner

HEATHER GRACY
Commissioner

MAUREEN FREANEY
Commissioner

CITY MANAGER

JENNIFER K. BRAMLEY

FINANCE DIRECTOR

JOE CIURRO

PREPARED BY: CITY OF DUNEDIN FINANCE DEPARTMENT

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Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2017

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March 23, 2018

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

Mayor, Commissioners and Citizens:

We hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Dunedin, Florida for the fiscal year ended September 30, 2017. This report fulfills the requirements set forth in Florida Statutes Chapter 218.39 and Rules of the Auditor General of the State of Florida, Chapter 10.550. This report presents a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP), and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants.

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

The City's financial statements have been audited in accordance with Generally Accepted Auditing Standards by Moore Stephens Lovelace, P.A. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for fiscal year ended September 30, 2017 are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City of Dunedin's financial statements for the year ended September 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

The City, incorporated in June 1899, is located in the western part of the state, bordering the north side of Clearwater, Florida. The City currently occupies a land area of 10 square miles and serves a population of

approximately 37,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by State statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

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

The City Commission is required to hold two (2) public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., fire). Department Heads may make transfers of appropriations within a department and fund. Transfers of appropriations between funds, however, require the approval of the City Commission. Budget-to-Actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, Community Redevelopment Agency Fund, and the One Cent Sales Tax Fund, these comparisons are presented on pages 36 - 38 as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, these comparisons are presented on pages 116 - 119.

Local Economy

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

As of September 2017, the City's unemployment was at 3.2 percent and the City's total population was 37,063. The median age was 55.0 years of age, and median household income was \$46,872, based on the most recent census data. Approximately 33.1 percent of Dunedin's residents were of retirement age (65 and over) in 2017. The local economy is also influenced during the winter months by a seasonal population of approximately 4,000 people.

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

The City has experienced four consecutive years of increases in taxable property values. In the two most recent years, total taxable assessed value increased 6.2% and 7.8% in 2016 and 2017 respectively. Ad valorem taxes collected over that same two year period have increased \$1,154,013 or 17.5% in fiscal year 2016; and \$606,223 or 7.8%, in fiscal year 2017. Factors that contributed to the increase in property tax revenue, in addition to increases in taxable property values, was a millage rate increases of 0.4 in fiscal year 2016. Property Taxes were 30.7% of the General Fund revenues in fiscal year 2017.

The General Fund's main revenue sources include Property Tax, Utility Taxes, State Revenue Sharing and Half Cent Sales Taxes. In fiscal year 2017 Utility Taxes represent 15.6% of the General Fund's revenue. Utility Taxes have been relatively consistent over the past several years. While State Revenue Sharing and Half Cent Sales Taxes have been trending upward and make up 10.55% of General Fund revenue.

Infrastructure Sales Tax revenues in the One Cent Sales Tax Fund have increased from \$3,614,528 in fiscal year 2016, to \$3,715,371 in fiscal year 2017, an increase of 2.8% or \$100,843. This revenue source represents approximately 11.2% of the Governmental Activities revenue.

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

Long-term Financial Planning and Major Initiatives

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

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

The City of Dunedin is projected to remain in good financial condition over the next several years as the economy continues to strengthen over that time. The City's responsible fiscal policies have placed the City in a stronger financial condition which is illustrated by the General Funds unassigned fund balance. At year end, that balance was \$4,663,984 or 73.7% of fund balance, and 17.9% of the fiscal year 2017 adopted operating budget. The goal for unassigned fund balance at year end is to be 15% of the current year's adapted operating budget.

Acknowledgements

Preparation of the CAFR and completion of the audit was made possible by the dedicated efforts of everyone in the Finance Department. Special appreciation is expressed to Scott Caterson for his technical expertise and continuing effort to incorporate quality controls into the CAFR.

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

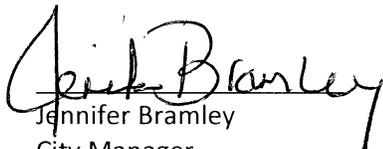
Tanya Hart is commended for accurate recording of all year-end accounts payable and the same to Lori Wagner for reconciling and accurately reporting all accounts receivables especially utility billing. Appreciation is expressed to Chuck Ankney for reconciling and preparing all capital asset reports.

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

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

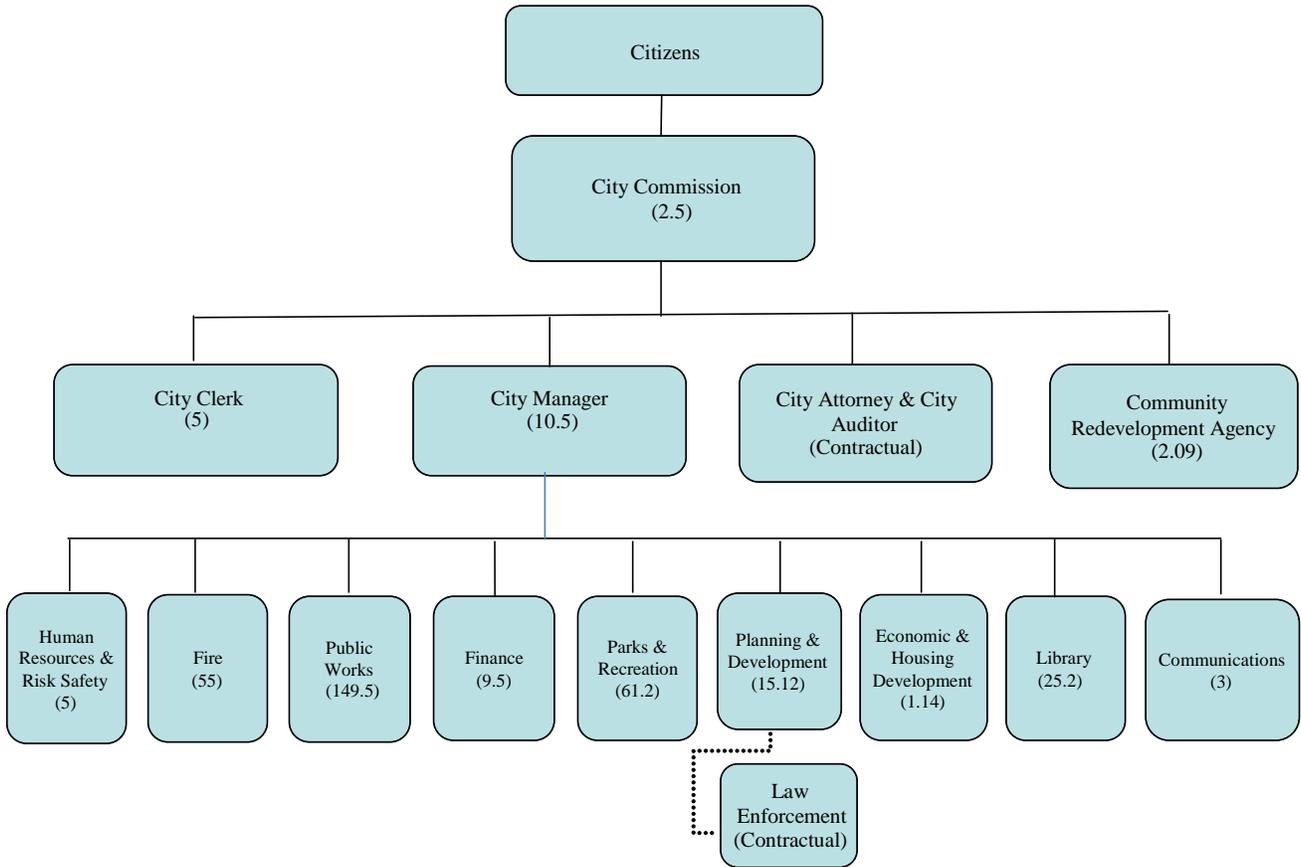
Last, but certainly not least, we would also like to express our appreciation to the Mayor and the City Commission for their support. With their continued leadership, the City can look forward to a secure financial future.

Respectfully submitted,


Jennifer Bramley
City Manager


Kathy Oster
Interim Director of Finance

**Authorized FY 2017 Organization Chart with
Full Time Equivalents (FTEs)**



Total Authorized FTEs as of 9/30/17 = 344.75

City of Dunedin, Florida
Certificate of Achievement

For the year ended September 30, 2016

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, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

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

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
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Reporting**

Presented to

**City of Dunedin
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dunedin, Florida (the City) as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City's Municipal Firefighters' Pension Trust Fund which represents 100% of the assets and net position of the fiduciary fund. Those financial statements were audited by other auditors, whose report thereon has been furnished to us and our opinion, insofar as it relates to the amounts included for the aforementioned fiduciary fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2017, and the respective changes in financial position, and cash flows, where applicable, and the budgetary to actual for the Major Funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Emphasis-of-Matter – Change in Accounting Principle

As discussed in Note VIII to the financial statements, in the fiscal year ended September 30, 2017, the City adopted the provisions of Government Accounting Standards Board Statement (GASBS) Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of GASBS 75, the City reported a restatement for the change in accounting principle as of October 1, 2016. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and schedules, statistical section, and The Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statement and schedules and The Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules, and The Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill are fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Tampa, Florida
March 23, 2018

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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, 2017. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal.

Financial Highlights

- The City's assets and deferred outflows of \$192,590,567 exceeded its liabilities and deferred inflows at the close of fiscal year 2017 by \$140,038,460 (*net position*), an increase of \$4,149,970 (3.1%) in net position compared to the prior year balance. This increase is the result of governmental net position increasing \$828,970 (1.01%) during the year along with the business-type net position increasing \$3,321,000 (6.1%).
 - Of this net position amount, \$93,625,898 (66.9%) is net investment in capital assets and \$13,177,585 (9.4%) is restricted. The remaining \$33,234,977 (23.7%) represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens, creditors and other agencies.
 - The City restated net position for both governmental and business-type activities. The restatement was a result of the City adopting the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75. For more information on this restatement, see Note VIII.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,034,314 an increase of \$2,040,269 (13.6%) in comparison with the prior year combined ending fund balances. 22.9% of this amount, \$3,913,876 is in *unassigned fund balance*, and therefore available for spending at the City's discretion. The remainder is restricted, committed, or assigned for contracts, programs, debt, etc.
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$5,851,040, or approximately 20.1% of total general fund expenditures including transfers.
- The City's total outstanding debt decreased by \$2,748,136 (-7.3%) during the current fiscal year. There were no new debt obligations for either Governmental Activities or Business-type Activities during fiscal year 2017. The decreased outstanding debt was a direct result of scheduled debt service payments. Governmental Activities Debt decreased a net total of \$1,133,977 and Debt for Business-type Activities decreased \$1,614,159. These changes are illustrated later in the MD&A in the "Outstanding Debt" table and in the notes to the financial statements concerning long-term liabilities (see Note IV.B., Long-Term Debt).

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City's basic financial statements. The City of Dunedin's basic financial statements are comprised of three components: 1) government-wide financial

statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

The government-wide financial statements can be found on pages 29 - 31 of this report.

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

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

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

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

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the one cent sales tax fund, and the community redevelopment agency fund, all of which are considered major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. The non-major government funds are the stadium fund, impact fee fund, county gas tax fund and the building code fund. The building code fund, a special revenue fund, was established in fiscal year 2017. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its governmental funds and prepares budgetary comparison statements to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 32 - 38 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its solid waste, water and wastewater utility, stormwater utility, marina operations and downtown parking. The parking fund is a new enterprise fund in fiscal year 2017. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle maintenance, building maintenance, self-insurance functions and information technology services. All four services have been allocated between governmental and business-type activities based on contribution rates within the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 40 - 43 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reported in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 46 - 47 of this report.

Notes to the financial statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 50 - 100 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees. Required supplementary information regarding pension and OPEB funding can be found on pages 102 - 108 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and other supplementary information schedules can be found on pages 114 - 124 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Dunedin, assets and deferred outflows (\$192,590,567) exceeded liabilities and deferred inflows (\$52,552,107) by \$140,038,460 as of September 30, 2017.

As illustrated in the table on the next page, the largest portion of the City's net position (66.9%) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, improvements other than buildings, and machinery and equipment). The City uses these capital assets to provide a variety of services to its residents. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, *restricted net position* at \$13,177,585 or 9.4%, represents resources that are subject to external restrictions on how they may be used, e.g., for debt and capital improvements. Restricted net position increased 22.4% or \$2,409,536 during the year. The increase is largely due to revenues exceeding expenditures by \$3,272,048 in the one-cent sales tax fund; the creation of the building code special revenue fund, adding \$1,214,391 to the restricted balance; and spending the prior year unspent bond proceeds, of \$2,451,576, in the stormwater fund.

The remaining balance of *unrestricted net position* \$33,234,977 decreased \$1,261,236 or -3.7% during the year, and is used to meet the City's ongoing obligations to citizens and creditors.

City of Dunedin, Florida						
Net Position						
September 30, 2016 and 2017						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 26,658,488	\$ 22,405,992	\$ 33,262,007	\$ 35,919,915	\$ 59,920,495	\$ 58,325,907
Capital assets	71,310,659	74,020,819	57,469,718	52,788,048	128,780,377	126,808,867
Total assets	97,969,147	96,426,811	90,731,725	88,707,963	188,700,872	185,134,774
Deferred outflow of resources	3,219,689	3,350,724	670,006	666,471	3,889,695	4,017,195
Current liabilities	2,077,306	1,639,199	3,748,844	3,489,375	5,826,150	5,128,574
Long-term liabilities outstanding:						
Due within one year	1,415,853	1,289,238	1,675,377	1,636,279	3,091,230	2,925,517
Due in more than one year	9,851,088	10,995,112	25,886,587	27,723,577	35,737,675	38,718,689
OPEB liability	896,522	364,390	485,508	191,836	1,382,030	556,226
Net pension liability	2,791,808	2,814,850	1,638,633	1,727,577	4,430,441	4,542,427
Total liabilities	17,032,577	17,102,789	33,434,949	34,768,644	50,467,526	51,871,433
Deferred inflow of resources	1,597,835	837,362	486,746	377,310	2,084,581	1,214,672
Net position:						
Net investment in capital assets	62,763,046	64,339,229	30,862,852	27,018,599	93,625,898	91,357,828
Restricted	11,721,407	7,026,213	1,456,178	3,741,836	13,177,585	10,768,049
Unrestricted	8,073,971	10,836,332	25,161,006	23,659,881	33,234,977	34,496,213
Total net position	\$ 82,558,424	\$ 82,201,774 *	\$ 57,480,036	\$ 54,420,316 *	\$ 140,038,460	\$ 136,622,090*

*Balances for 2016 have not been restated.

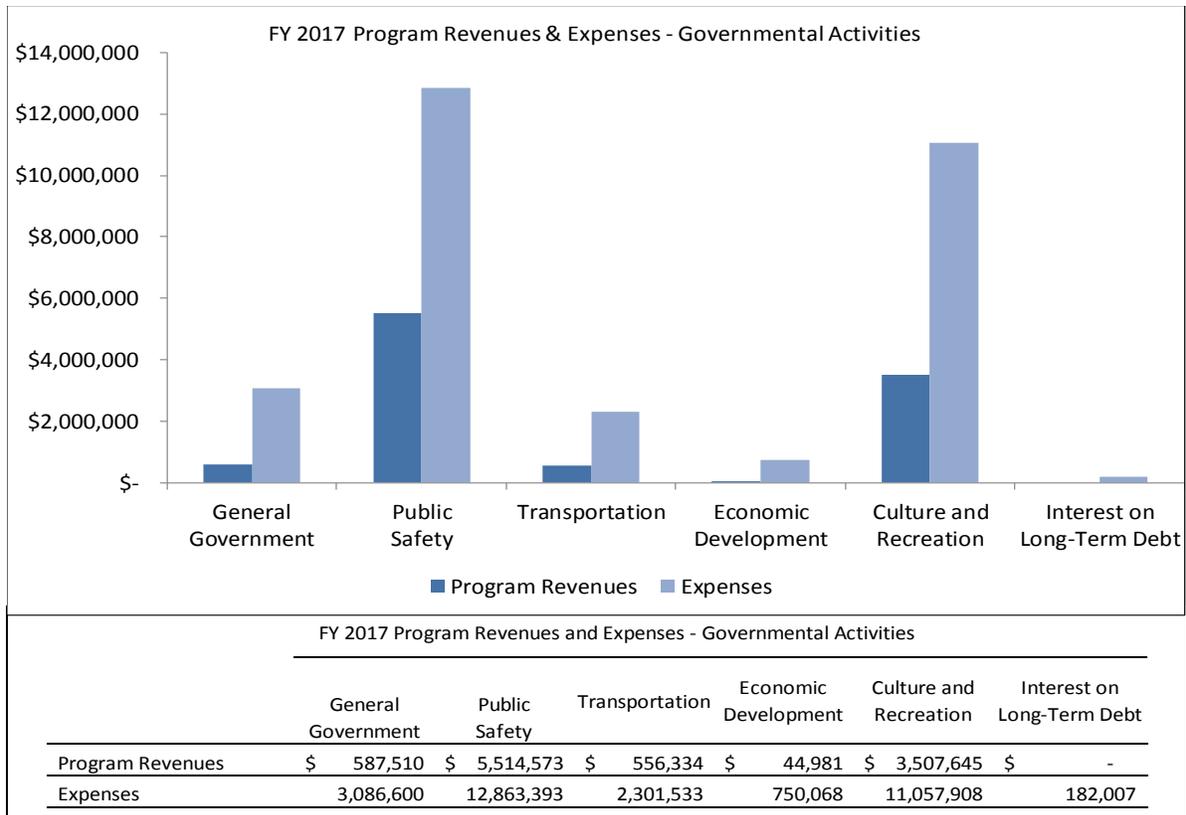
Governmental activities. How the City's net position changed during the most recent fiscal year is reflected in the statement of activities, a summary of which is shown in the table on the next page. This statement divides the activities between governmental activities and business-type activities. Governmental activities increased the City's net position by \$3,478,828 before transfers. Key elements of this change are as follows:

- Revenues were up \$1,927,547 or 6.1% totaling \$33,720,337 compared to last year's total of \$31,792,790. Charges for services increased \$1,236,711 or 17.9%. Property tax revenue increased by \$669,611 or 8.1% from fiscal year 2017 due to increases in property values. Overall revenue receipts were up from prior year.
- Total expenses increased in fiscal year 2017 by \$703,383 (2.4%), after increasing by \$1,350,774 (4.8%) in fiscal 2016.

City of Dunedin, Florida
Changes in Net Position
September 30, 2016 and 2017

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues						
Charges for services	\$ 8,144,312	\$ 6,907,601	\$ 26,292,417	\$ 24,264,359	\$ 34,436,729	\$ 31,171,960
Operating grants and contributions	607,504	474,084	-	-	607,504	474,084
Capital grants and contributions	1,459,227	1,555,222	300,607	262,397	1,759,834	1,817,619
General revenues:						
Property taxes	8,920,112	8,250,501	-	-	8,920,112	8,250,501
Utility services taxes	4,250,024	4,282,054	-	-	4,250,024	4,282,054
Intergovernmental revenues	9,678,670	9,542,417	-	-	9,678,670	9,542,417
Other taxes	333,972	338,061	-	-	333,972	338,061
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	326,516	442,850	417,154	324,574	743,670	767,424
Total Revenues	33,720,337	31,792,790	27,010,178	24,851,330	60,730,515	56,644,120
Expenses:						
General government	3,086,600	3,163,785	-	-	3,086,600	3,163,785
Public safety	12,863,393	12,016,757	-	-	12,863,393	12,016,757
Transportation	2,301,533	2,234,895	-	-	2,301,533	2,234,895
Economic development	750,068	768,565	-	-	750,068	768,565
Culture and recreation	11,057,908	11,163,145	-	-	11,057,908	11,163,145
Interest on long-term debt	182,007	190,979	-	-	182,007	190,979
Solid waste	-	-	4,761,646	4,428,289	4,761,646	4,428,289
Water/Sewer utility	-	-	17,045,668	16,919,664	17,045,668	16,919,664
Stormwater utility	-	-	3,558,252	3,665,865	3,558,252	3,665,865
Marina	-	-	381,384	350,845	381,384	350,845
Parking	-	-	592,086	-	592,086	-
Total Expenses	30,241,509	29,538,126	26,339,036	25,364,663	56,580,545	54,902,789
Increase (decrease) in net position before transfers	3,478,828	2,254,664	671,142	(513,333)	4,149,970	1,741,331
Transfers	(2,649,858)	-	2,649,858	-	-	-
Increase (decrease) in net position after transfers	828,970	2,254,664	3,321,000	(513,333)	4,149,970	1,741,331
Net position-beginning	82,201,774	79,947,110	54,420,316	54,933,649	136,622,090	134,880,759
Cumulative effect of adoption of GASB No. 75	(472,320)	-	(261,280)	-	(733,600)	-
Net position as of September 30	\$ 82,558,424	\$ 82,201,774*	\$ 57,480,036	\$ 54,420,316*	\$ 140,038,460	\$ 136,622,090*

*Balances for 2016 have not been restated.



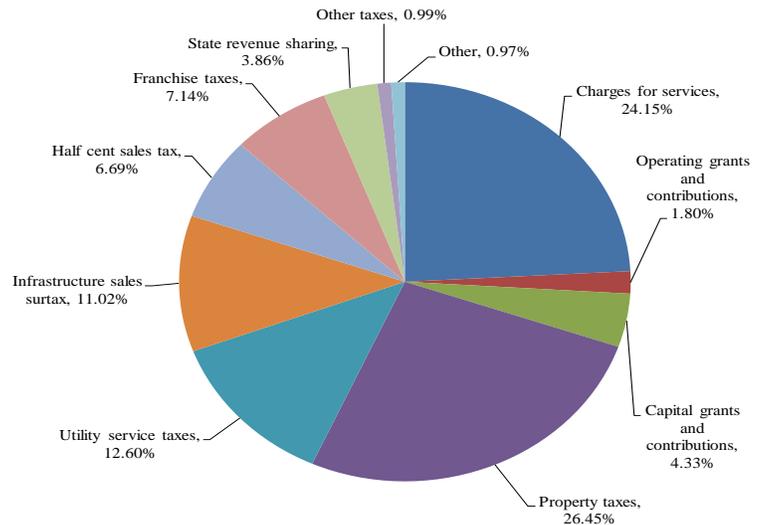
As the bar chart above illustrates, governmental activities typically do not pay for themselves. For example, culture and recreation expenses of \$11,057,908 exceed the \$3,507,645 in revenues.

The pie chart on the next page shows that overall, 30.28% of offsetting revenues for governmental activity expenses come from specific charges for services (24.15%) and grants (6.13%). The remaining 69.72% of revenue supporting governmental activities comes from property taxes (26.45%) and other taxes (41.31%), with a very small portion (1.96%) from investment earnings.

FY 2017 Revenues By Source - Governmental Activities

	Amount	% of Total
Charges for services	\$ 8,144,312	24.15%
Operating grants and contributions	607,504	1.80%
Capital grants and contributions	1,459,227	4.33%
Property taxes	8,920,112	26.45%
Utility service taxes	4,250,024	12.60%
Infrastructure sales surtax	3,715,371	11.02%
Half cent sales tax	2,256,442	6.69%
Franchise taxes	2,406,038	7.14%
State revenue sharing	1,300,819	3.86%
Other taxes	333,972	0.99%
Other	326,516	0.97%
Total revenues by source	\$ 33,720,337	100.00%

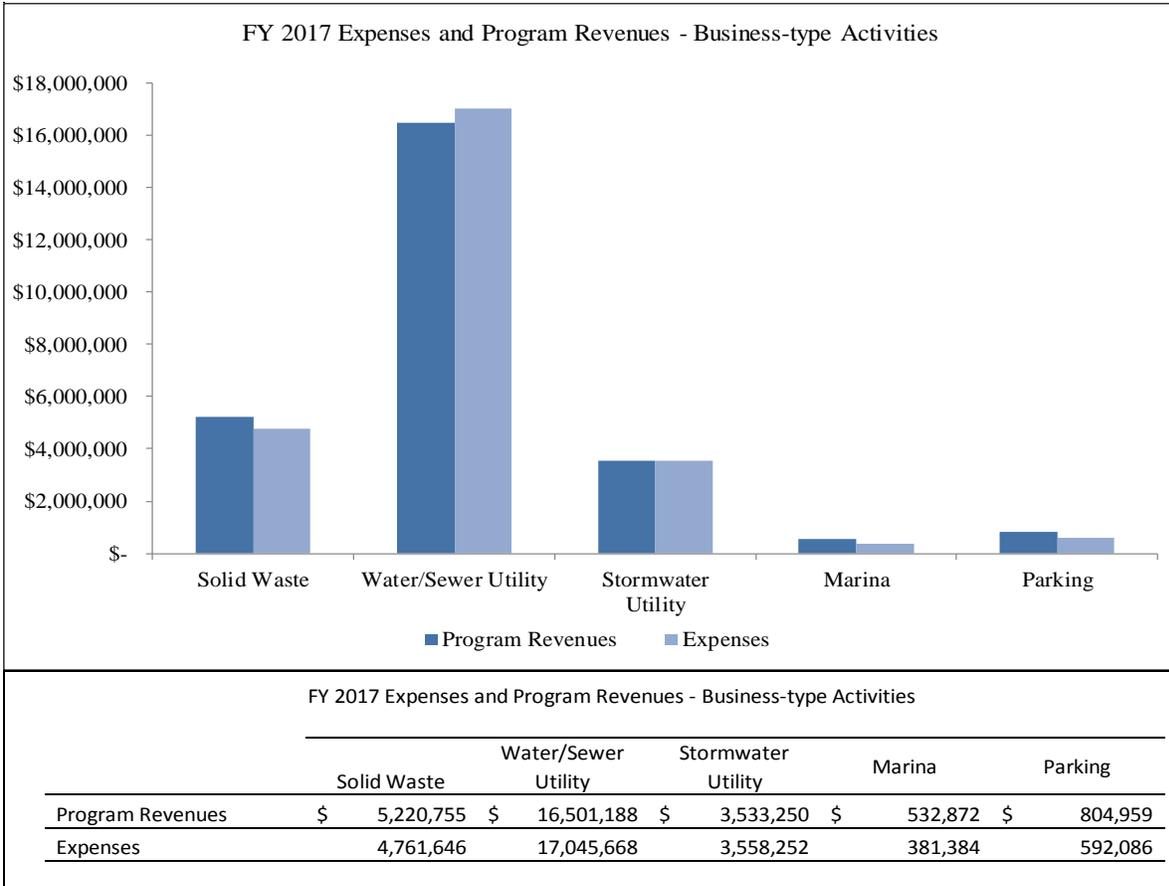
Note: revenue does not include transfers.



Business-type activities. Business type activities increased the City’s net position by \$671,142 before transfers. Key elements of this increase are as follows:

- Total expenses before transfers for business-type activities increased 3.8% or \$974,373 from fiscal year 2016. Total revenues before transfers increased \$2,158,848, or 8.7% from fiscal year 2016.
- Charges for services revenues for business-type activities increased by \$1,907,991 or 8.0% from fiscal year 2016.
 - Solid waste operating revenues were up \$126,348 or 2.5%, from \$5,094,407 to \$5,220,755.
 - Water and wastewater utility operating revenues were up \$896,773 or 5.9%, from \$15,303,808 to \$16,200,581
 - Stormwater utility operating revenues increased \$157,707 or 4.7%, from \$3,375,543 to \$3,533,250.
 - As noted earlier, the Parking Fund was created in fiscal year 2017. It generated \$804,949 in operating revenue.
- Business-type activities had net transfers in of \$2,649,858 in fiscal year 2017 compared to no transfer in fiscal year 2016. The increase in fiscal year 2017 is largely due to transferring \$2,798,400 of Deepwater Horizon Oil Spill settlement proceeds from the General Fund to the Parking Fund.

Unlike governmental activities, business-type activities are typically able to pay for themselves through specific user charges and other revenue sources. The bar chart on the next page illustrates this case for the City’s Solid Waste, Marina and Parking Funds. While the Solid Waste and Water/Sewer Funds are reflecting a loss, it should be noted that there are significant non-cash expenses such as depreciation reported in each of those funds. Furthermore, both funds are generating significant net operating cash flows. This can be further examined in the proprietary funds statement of cash flows.



Fund Level Financial Analysis

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

As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$17,034,314 an increase of \$2,040,269 in comparison with the prior fiscal year. Approximately 22.9% of this amount (\$3,913,876) constitutes unassigned fund balance, which is available for spending. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned*, to indicate that it is 1) not in spendable form (\$211,975), 2) legally restricted for specific purposes by entities outside the City’s control (\$11,721,407), 3) committed for particular purposes (\$676,837), or 4) assigned for particular purposes (\$510,219). For additional information, see Note VI – Fund Balance Reporting.

As a measure of general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents

approximately 17.94% of total general fund expenditures for the current fiscal year, while total fund balance represents 24.35% of that same amount.

The total fund balance of the City's general fund decreased \$1,915,087 (23.2%) during fiscal year 2017, however, revenues exceeded expenditures by \$1,196,174 before deducting other financing uses.

- The general fund 'Final Budget' budgeted for a deficit of \$678,159 excluding transfers and sale of general fixed assets. At fiscal year-end, actual revenues surpassed budgeted revenues by \$913,151. Actual expenditures were \$961,182 under budget, resulting in a total surplus of \$1,196,174 before transfers and sale of general fixed assets.
- The general fund transferred the proceeds from the Deepwater Horizon Oil Spill settlement to the parking fund reducing general fund balance by \$2,798,400.

The one-cent sales tax fund has a total fund balance of \$8,454,489 all of which is restricted. The net increase in fund balance during the current year in the one-cent sales tax fund was \$3,272,048.

- The revenues from the current fiscal year were \$4,044,873 while the expenditures were \$1,442,618. Of that expenditure amount, \$778,245 (53.95%) was spent on debt service.
- Total revenues increased \$415,674 or 11.45%, compared to fiscal year 2016.
- Total expenditures decreased \$1,286,557 or 47.14%, compared to fiscal year 2016.

The community redevelopment agency (CRA) fund has a total fund balance of \$335,617. The CRA fund balance increased \$137,899 during the year.

- The revenues from the current fiscal year were \$613,325 including \$569,442 in property tax revenue, while expenditures were \$404,026. Total revenues increased \$59,344 or 10.71%, compared to fiscal year 2016. Property tax revenues, the main source of revenue for the CRA, increased \$63,338 or 12.53% from fiscal year 2016.
- Total expenditures decreased \$452,023, or -51.27%, compared to fiscal year 2016. As noted earlier the City maintains seven individual governmental funds.

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

- The building code fund was established as a special revenue fund in fiscal year 2017 and \$244,311 was transferred to that fund from the general fund. The activity of the building code fund was previously recorded in the general fund. The amount of the transfer is the cumulative balance of funds associated with the building code activities.

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

- In fiscal year 2017, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, the beginning net position for Solid Waste, Water/Sewer, Stormwater and Marina were decreased: \$46,344, \$175,710, \$35,903 and \$3,323 respectively.
- In the solid waste fund, net position increased \$264,952 (19.2%) from fiscal year 2017. There was an increase in operating revenue of \$126,348 and an increase in supplies and services expenses of \$60,419 compared to fiscal year 2016.
- In the water/sewer utility, net position decreased \$371,815 (-1.12%) during fiscal year 2017. Water/Sewer operating revenues increased \$896,773 or 5.9% for 2017. The decrease was largely due to an operating loss of \$382,155. The increase of revenue over prior year reduced last year's operating loss of \$1,226,062 by \$843,907. In contrast, when excluding non-cash transactions, operations are generating roughly \$3.7 million of net cash flow as noted in the proprietary funds statement of cash flows.
- In the stormwater fund, net position decreased \$587 from fiscal year 2016. Current year revenues outpaced the prior year's revenue by \$157,707 or 4.7%. Total operating expenses are relatively the same as prior year \$3,300,969 and \$3,305,259 in fiscal years 2016 and 2017 respectively. Operating income is up \$153,417 from \$74,574 in fiscal year 2016 to \$227,991 in fiscal year 2017. When excluding non-cash transactions, operations are generating approximately 1.7 million of net cash flow as noted in the proprietary funds statement of cash flows.
- In the marina fund, net position increased \$154,063 (6.55%) from fiscal year 2017. Operating revenue was up \$42,271 (8.62%) over fiscal year 2017 and operating expenses increased \$29,116 or 8.13% from the prior year.
- As noted earlier, the parking fund began in fiscal year 2017. It was established as an enterprise fund to account for the activity of the downtown parking program. In its first year, it generated operating income of \$212,873. At September 30, 2017, it had net position of \$3,031,334, largely due to a transfer in from the general fund.

General Fund Budgetary Highlights

Original budget compared to final budget

Revenues. Budgeted revenue appropriations in the General Fund increased \$120,000 through budget amendments. Significant changes to revenue appropriations were:

- Increase revenue by \$35,000 for a refund to the City from a developer for a project that was abandoned;
- Increase revenues by \$85,000 for higher than anticipated fines associated with collection of code liens.

Expenditures. Budgeted expenditure appropriations in the General Fund increased \$550,159 through budget amendments. Significant changes to expense appropriations were:

- Increase Parks & Recreation's capital budget for the Pier Refurbishment project by \$57,889 based on actual costs incurred;

- Increase overtime for Fire/Rescue's Operations Division by \$125,000 based on actuals;
- Appropriate \$85,000 for professional services in the City Attorney Department associated with negotiating code violation cases;
- An increase in Parks & Recreation's budget by \$47,000 for emergency HVAC replacements at the Dunedin Golf Club Clubhouse;
- An increase of \$35,000 in Economic & Housing Development for appraisal, survey, and advertisement of a City-owned parcel;
- An increase in expenses associated with encumbrances and project carry-forwards from FY 2016 to FY 2017 of \$280,581.

Final budget compared to actual results

Revenues. Actual General Fund revenues exceeded budget by \$913,151 or 3.5%. This variance was primarily due to one-time occurrences including:

- Code enforcement fines \$377,500 higher than budgeted;
- Higher than anticipated Tree Bank fees of \$309,100;
- Higher collection of delinquent taxes by \$177,600;
- Higher than expected intergovernmental revenues from local ½ cent revenue and state revenue sharing of \$101,200;
- Interest earnings of \$58,000 over budgeted levels;
- And revenue shortfalls in franchise fees of (\$220,000).

Expenditures. Actual General Fund expenditures were under budget by \$961,182 or 3.6%. Significant variances in budget to actual expenditures include:

- \$346,214 in encumbrances and projects that were carried forward to the next fiscal year including:
 - \$94,569 in Library and Parks & Recreation for HVAC system replacements;
 - \$125,523 in Parks & Recreation for the Marina Pier Refurbishment;
 - \$60,000 in Economic & Housing Development to create angled parking on Douglas Avenue.
- \$123,502 in the City Manager's Office from vacancy savings;
- \$109,958 in Parks & Recreation from vacancy savings;
- \$85,482 in Economic & Housing Development from savings in grants and contractual services;
- \$56,912 in Law Enforcement from savings in contractual service hours for special events;
- \$36,810 in Parks & Recreation from savings in contractual services;
- \$27,693 in Planning & Development from savings in contractual services.

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, 2017, amounts to \$128,780,377 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net increase in capital assets for the current fiscal year was approximately 5.2% or \$1,971,510. Of that 8.9% or \$4,681,670 is an increase to business type activities and \$2,710,160 or 3.66% is a decrease from governmental activities. The current year depreciation of \$4,701,338, in governmental activities exceeded current year capital asset purchases, while current year purchases in the business-type activities exceeded current year depreciation.

Significant changes to the governmental activities include:

- Fleet vehicle replacement program activity included disposals of \$699,786 and new purchases of \$530,054.

Significant changes to the business-type activities include:

- Stormwater fund – additions of \$3,595,526 for the Lakewood Estates Piping Project, and \$2,411,086 for the Reclaimed Tank and Booster Station.
- Solid waste fund – the purchase of five new trucks, \$1,124,895.

Additional information on the City’s capital assets can be found on pages 66 - 67 of this report in the notes to the financial statements (see Note IV, A.3.a.).

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 22,101,254	\$ 22,101,254	\$ 648,676	\$ 648,676	\$ 22,749,930	\$ 22,749,930
Buildings	23,651,982	24,784,535	766,815	841,369	24,418,797	25,625,904
Infrastructure	8,572,972	8,611,365	-	-	8,572,972	8,611,365
Improvements other than Building	11,257,501	12,061,800	53,686,822	48,855,318	64,944,323	60,917,118
Machinery and Equipment	5,488,485	5,811,656	2,235,933	1,440,287	7,724,418	7,251,943
Construction in Progress	238,465	650,209	131,472	1,002,398	369,937	1,652,607
Total Capital Assets	\$ 71,310,659	\$ 74,020,819	\$ 57,469,718	\$ 52,788,048	\$ 128,780,377	\$ 126,808,867

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$35,154,479. Of this amount, \$1,063,205 comprises capital leases and \$34,091,274 of the City’s debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds). The City’s total outstanding debt decreased by \$2,748,136 during the current fiscal year. As noted earlier, the decrease in outstanding debt is related to scheduled debt service payments. Additional information on the City’s long-term debt can be found on pages 72 - 78 in the notes to the financial statements (see Note IV.B).

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Capital leases	\$ 503,493	\$ 624,420	\$ 559,712	\$ 694,142	\$ 1,063,205	\$ 1,318,562
Bonds and notes payable	8,044,120	9,057,170	26,047,154	27,526,883	34,091,274	36,584,053
Total Liabilities	\$ 8,547,613	\$ 9,681,590	\$ 26,606,866	\$ 28,221,025	\$ 35,154,479	\$ 37,902,615

Economic Factors Impacting Next Year's Budget

The following factors were considered in preparing the City's budget for the 2018 fiscal year:

- The unemployment rate in Dunedin as of December 2017 is 3.2%, which is lower than the State of Florida's unemployment rate of 3.9% for the same period. The number of new jobs from January through December of 2017 grew by 438 or 2.5%.
- The occupancy rate of the City's downtown has remained high with minimal vacancies.
- Dunedin's property tax rate will remain unchanged at 4.1345 mills.
- The City's residential properties comprise 80.3% of the City's appraised value.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

DUNEDIN

Home of Honeymoon Island

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City of Dunedin, Florida
Statement of Net Position
September 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	\$ 27,750,958	\$ 21,044,624	\$ 48,795,582
Receivables, net of allowance for uncollectibles	723,647	4,335,353	5,059,000
Internal balances	(4,159,599)	4,159,599	-
Due from other governments	1,447,760	147,164	1,594,924
Inventories	99,012	511,731	610,743
Prepaid items	48,374	-	48,374
Accrued interest receivable	29,410	64,016	93,426
Deposits	318,926	-	318,926
Restricted cash and cash equivalents	-	2,999,520	2,999,520
Notes receivable	400,000	-	400,000
Capital assets, net of accumulated depreciation:			
Land	22,101,254	648,676	22,749,930
Buildings	23,651,982	766,815	24,418,797
Infrastructure	8,572,972	-	8,572,972
Improvements other than buildings	11,257,501	53,686,822	64,944,323
Machinery and equipment	5,488,485	2,235,933	7,724,418
Construction in progress	238,465	131,472	369,937
Total assets	<u>97,969,147</u>	<u>90,731,725</u>	<u>188,700,872</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions and other post-employment benefits (OPEB)	3,219,689	670,006	3,889,695
Total deferred outflows of resources	<u>3,219,689</u>	<u>670,006</u>	<u>3,889,695</u>
LIABILITIES			
Accounts payable and other current liabilities	1,954,480	1,740,722	3,695,202
Accrued interest payable	77,403	463,639	541,042
Unearned revenue	-	1,141	1,141
Due to other governments	45,423	-	45,423
Liabilities payable from restricted assets	-	1,543,342	1,543,342
Noncurrent liabilities:			
Due within one year	1,415,853	1,675,377	3,091,230
Due in more than one year	9,851,088	25,886,587	35,737,675
OPEB liability	896,522	485,508	1,382,030
Net pension liability	2,791,808	1,638,633	4,430,441
Total liabilities	<u>17,032,577</u>	<u>33,434,949</u>	<u>50,467,526</u>
DEFERRED INFLOWS OF RESOURCES			
Business tax collected in advance	86,335	-	86,335
Pensions	1,511,500	486,746	1,998,246
Total deferred inflows of resources	<u>1,597,835</u>	<u>486,746</u>	<u>2,084,581</u>
NET POSITION			
Net investment in capital assets	62,763,046	30,862,852	93,625,898
Restricted for:			
Capital projects	9,662,856	1,456,178	11,119,034
Community Redevelopment Agency	334,317	-	334,317
Stadium	241,216	-	241,216
Building code	1,214,391	-	1,214,391
Public safety	59,158	-	59,158
Housing	69,197	-	69,197
Bequests	117,076	-	117,076
Other	23,196	-	23,196
Unrestricted	8,073,971	25,161,006	33,234,977
Total net position	<u>\$ 82,558,424</u>	<u>\$ 57,480,036</u>	<u>\$ 140,038,460</u>

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

City of Dunedin, Florida
Statement of Activities
For the Fiscal Year Ended 2017

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 3,086,600	\$ 570,903	\$ 16,607	\$ -
Public safety	12,863,393	5,477,227	8,490	28,856
Transportation	2,301,533	-	-	556,334
Economic development	750,068	42,050	-	2,931
Culture and recreation	11,057,908	2,054,132	582,407	871,106
Interest on long-term debt	182,007	-	-	-
Total governmental activities	<u>30,241,509</u>	<u>8,144,312</u>	<u>607,504</u>	<u>1,459,227</u>
Business-type activities:				
Solid waste	4,761,646	5,220,755	-	-
Water/Sewer utility	17,045,668	16,200,581	-	300,607
Stormwater utility	3,558,252	3,533,250	-	-
Marina	381,384	532,872	-	-
Parking	592,086	804,959	-	-
Total business-type activities	<u>26,339,036</u>	<u>26,292,417</u>	<u>-</u>	<u>300,607</u>
Total primary government	<u>\$ 56,580,545</u>	<u>\$ 34,436,729</u>	<u>\$ 607,504</u>	<u>\$ 1,759,834</u>

General Revenues:

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,499,090)	\$ -	\$ (2,499,090)
(7,348,820)	-	(7,348,820)
(1,745,199)	-	(1,745,199)
(705,087)	-	(705,087)
(7,550,263)	-	(7,550,263)
(182,007)	-	(182,007)
<u>(20,030,466)</u>	<u>-</u>	<u>(20,030,466)</u>
-	459,109	459,109
-	(544,480)	(544,480)
-	(25,002)	(25,002)
-	151,488	151,488
-	212,873	212,873
<u>-</u>	<u>253,988</u>	<u>253,988</u>
<u>(20,030,466)</u>	<u>253,988</u>	<u>(19,776,478)</u>
8,920,112	-	8,920,112
4,250,024	-	4,250,024
3,715,371	-	3,715,371
2,256,442	-	2,256,442
2,406,038	-	2,406,038
1,300,819	-	1,300,819
333,972	-	333,972
227,835	417,154	644,989
98,681	-	98,681
<u>(2,649,858)</u>	<u>2,649,858</u>	<u>-</u>
<u>20,859,436</u>	<u>3,067,012</u>	<u>23,926,448</u>
828,970	3,321,000	4,149,970
81,729,454	54,159,036	135,888,490
<u>\$ 82,558,424</u>	<u>\$ 57,480,036</u>	<u>\$ 140,038,460</u>

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

City of Dunedin, Florida
Balance Sheet
Governmental Funds
September 30, 2017

	<u>General Fund</u>	<u>One Cent Sales Tax Fund</u>	<u>Community Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash, cash equivalents, and investments	\$ 5,997,101	\$ 6,993,018	\$ 353,948	\$ 2,955,888	\$ 16,299,955
Receivables-net of allowance for uncollectibles	631,676	18,179	727	6,537	657,119
Due from other governments	766,886	595,288	-	85,586	1,447,760
Due from other funds	-	928,374	-	-	928,374
Inventories	4,075	-	-	-	4,075
Deposits	206,100	-	1,300	500	207,900
Notes receivable	400,000	-	-	-	400,000
Total assets	<u>\$ 8,005,838</u>	<u>\$ 8,534,859</u>	<u>\$ 355,975</u>	<u>\$ 3,048,511</u>	<u>\$ 19,945,183</u>
LIABILITIES					
Accounts payable	\$ 530,329	\$ 65,877	\$ 10,397	\$ 140,383	\$ 746,986
Contracts payable	294,166	14,493	7,298	13,537	329,494
Accrued salaries payable	184,297	-	2,663	8,482	195,442
Deposits payable	900	-	-	500	1,400
Due to other funds	-	-	-	928,374	928,374
Due to other governments	2,554	-	-	42,869	45,423
Other current liabilities	177,415	-	-	-	177,415
Total liabilities	<u>1,189,661</u>	<u>80,370</u>	<u>20,358</u>	<u>1,134,145</u>	<u>2,424,534</u>
DEFERRED INFLOWS					
Business tax collected in advance	86,335	-	-	-	86,335
Unavailable revenue	400,000	-	-	-	400,000
Total deferred inflows	<u>486,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>486,335</u>
FUND BALANCES					
Non spendable	210,175	-	1,300	500	211,975
Restricted	268,627	8,454,489	334,317	2,663,974	11,721,407
Committed	676,837	-	-	-	676,837
Assigned	510,219	-	-	-	510,219
Unassigned	4,663,984	-	-	(750,108)	3,913,876
Total fund balances	<u>6,329,842</u>	<u>8,454,489</u>	<u>335,617</u>	<u>1,914,366</u>	<u>17,034,314</u>
Total liabilities, deferred inflows & fund balances	<u>\$ 8,005,838</u>	<u>\$ 8,534,859</u>	<u>\$ 355,975</u>	<u>\$ 3,048,511</u>	<u>\$ 19,945,183</u>

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

City of Dunedin, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2017

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

Total fund balances - governmental funds		\$ 17,034,314
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		66,558,705
Net pension liability resulting from plan fiduciary net position exceeding total pension assets:		
Firefighters' pension asset (liability)	(720,652)	
FRS net pension asset (liability)	(1,494,485)	
FRS HIS net pension asset (liability)	<u>(576,671)</u>	(2,791,808)
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as deferred inflows / unavailable revenue in the funds.		400,000
Deferred outflows/inflows of resources reported in the statement of net position:		
Net deferred outflows - pensions and OPEB	3,216,709	
Net deferred inflows - pensions and OPEB	<u>(1,511,500)</u>	1,705,209
Internal service funds are used by management to charge the costs of fleet and facility management and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		10,074,034
Long-term liabilities, including accrued interest, bonds payable, compensated absences and OPEB are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable	(71,323)	
Revenue bonds payable	(8,044,120)	
Compensated absences	(1,516,066)	
OPEB liability	<u>(790,521)</u>	(10,422,030)
Net position of governmental activities		<u><u>\$ 82,558,424</u></u>

City of Dunedin, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended 2017

	<u>General Fund</u>	<u>One Cent Sales Tax Fund</u>	<u>Community Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>					
Taxes:					
Property	\$ 8,350,670	\$ -	\$ 569,442	\$ -	\$ 8,920,112
Franchise	2,406,038	-	-	-	2,406,038
Utility service	4,250,024	-	-	-	4,250,024
Licenses and permits	574,584	-	-	-	574,584
Intergovernmental	4,254,338	3,965,371	-	1,021,034	9,240,743
Charges for services	5,754,191	-	-	2,259,879	8,014,070
Fines	870,548	-	-	-	870,548
Investment earnings	70,580	52,502	1,833	19,259	144,174
Rents	337,884	-	42,050	-	379,934
Contributions and donations	123,914	27,000	-	-	150,914
Other revenue	202,180	-	-	216,546	418,726
Total revenues	<u>27,194,951</u>	<u>4,044,873</u>	<u>613,325</u>	<u>3,516,718</u>	<u>35,369,867</u>
<u>EXPENDITURES</u>					
Current:					
General government	4,308,759	-	-	-	4,308,759
Public safety	10,881,432	-	-	884,097	11,765,529
Transportation	1,624,882	-	-	124,915	1,749,797
Economic environment	-	-	331,851	-	331,851
Culture and recreation	8,774,548	-	-	524,592	9,299,140
Debt service:					
Principal	-	623,000	-	390,050	1,013,050
Interest	-	155,245	-	25,099	180,344
Capital outlay:					
General government	70,194	-	-	-	70,194
Public safety	53,520	-	-	69,074	122,594
Transportation	-	191,315	-	266,719	458,034
Economic development	-	-	38,634	-	38,634
Culture and recreation	107,356	473,058	-	-	580,414
Aids and grants	178,086	-	33,541	-	211,627
Total expenditures	<u>25,998,777</u>	<u>1,442,618</u>	<u>404,026</u>	<u>2,284,546</u>	<u>30,129,967</u>
Excess of revenues over (under) expenditures	<u>1,196,174</u>	<u>2,602,255</u>	<u>209,299</u>	<u>1,232,172</u>	<u>5,239,900</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	22,400	1,098,074	-	411,311	1,531,785
Transfers out	(3,160,711)	(428,281)	(71,400)	(1,098,074)	(4,758,466)
Sale of general capital assets	27,050	-	-	-	27,050
Total other financing sources (uses)	<u>(3,111,261)</u>	<u>669,793</u>	<u>(71,400)</u>	<u>(686,763)</u>	<u>(3,199,631)</u>
Net change in fund balances	(1,915,087)	3,272,048	137,899	545,409	2,040,269
Fund balances - beginning	<u>8,244,929</u>	<u>5,182,441</u>	<u>197,718</u>	<u>1,368,957</u>	<u>14,994,045</u>
Fund balances - ending	<u>\$ 6,329,842</u>	<u>\$ 8,454,489</u>	<u>\$ 335,617</u>	<u>\$ 1,914,366</u>	<u>\$ 17,034,314</u>

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

City of Dunedin, Florida
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended 2017

Net change in fund balances - total governmental funds \$ 2,040,269

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Expenditures for capital assets	1,269,870	
Less current year depreciation	(3,660,421)	
Net book value of disposed assets	(619)	(2,391,170)

Governmental funds focus on current financial resources, therefore donations of capital assets are not reported in these funds. However, in the statement of activities the value of the donation is recorded as revenue and the asset is recorded on the statement of net position. 36,628

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.
Principal payments 1,013,050

The net effect of pension contribution expense is to decrease net position. (883,551)

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 (88,259)
Change in accrued interest expense 6,930 (81,329)

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. 1,095,073

Change in net position of governmental activities \$ 828,970

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, 2017**

	<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	\$ 8,173,100	\$ 8,173,100	\$ 8,350,670	\$ 177,570
Franchise	2,626,000	2,626,000	2,406,038	(219,962)
Utility service	4,189,100	4,189,100	4,250,024	60,924
Licenses and permits	231,200	231,200	574,584	343,384
Intergovernmental	4,153,100	4,153,100	4,254,338	101,238
Charges for services	5,785,200	5,785,200	5,754,191	(31,009)
Fines	408,000	493,000	870,548	377,548
Investment earnings	10,500	10,500	70,580	60,080
Rents	326,100	326,100	337,884	11,784
Contributions and donations	98,300	98,300	123,914	25,614
Other revenue	161,200	196,200	202,180	5,980
Total revenues	<u>26,161,800</u>	<u>26,281,800</u>	<u>27,194,951</u>	<u>913,151</u>
<u>EXPENDITURES</u>				
Current:				
General government	4,375,900	4,568,277	4,308,759	394,502
Public safety	10,782,200	10,917,294	10,881,432	35,862
Transportation	1,646,200	1,647,920	1,624,882	23,038
Culture and recreation	8,927,000	9,017,462	8,774,548	242,914
Capital outlay:				
General government	-	68,329	70,194	(1,865)
Public safety	60,000	67,717	53,520	14,197
Culture and recreation	408,400	459,660	107,356	352,304
Aids and grants	210,100	213,300	178,086	35,214
Total expenditures	<u>26,409,800</u>	<u>26,959,959</u>	<u>25,998,777</u>	<u>961,182</u>
Excess of revenues over (under) expenditures	<u>(248,000)</u>	<u>(678,159)</u>	<u>1,196,174</u>	<u>1,874,333</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	22,400	22,400	22,400	-
Transfers out	(3,080,400)	(3,160,711)	(3,160,711)	-
Sale of general capital assets	-	-	27,050	27,050
Total other financing uses	<u>(3,058,000)</u>	<u>(3,138,311)</u>	<u>(3,111,261)</u>	<u>27,050</u>
Net change in fund balances	<u>\$ (3,306,000)</u>	<u>\$ (3,816,470)</u>	<u>(1,915,087)</u>	<u>\$ 1,901,383</u>
Fund balances - beginning			<u>8,244,929</u>	
Fund balances - ending			<u>\$ 6,329,842</u>	

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

City of Dunedin, Florida
One Cent Sales Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2017

	<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>				
Infrastructure surtax	\$ 3,600,000	\$ 3,600,000	\$ 3,715,371	\$ 115,371
Grant revenues	-	-	250,000	250,000
Investment earnings	4,500	4,500	52,502	48,002
Donations	-	-	27,000	27,000
Total revenues	<u>3,604,500</u>	<u>3,604,500</u>	<u>4,044,873</u>	<u>440,373</u>
<u>EXPENDITURES</u>				
Capital outlay:				
Transportation	210,000	844,038	191,315	652,723
Economic environment	-	174,875	-	174,875
Culture and recreation	220,000	592,798	473,058	119,740
Debt service:				
Principal	623,000	623,000	623,000	-
Interest	133,200	155,336	155,245	91
Total expenditures	<u>1,186,200</u>	<u>2,390,047</u>	<u>1,442,618</u>	<u>947,429</u>
Excess of revenues over expenditures	<u>2,418,300</u>	<u>1,214,453</u>	<u>2,602,255</u>	<u>1,387,802</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	1,098,074	1,098,074	-
Transfers out	<u>(215,900)</u>	<u>(428,281)</u>	<u>(428,281)</u>	-
Total other financing sources (uses)	<u>(215,900)</u>	<u>669,793</u>	<u>669,793</u>	-
Net change in fund balances	<u>\$ 2,202,400</u>	<u>\$ 1,884,246</u>	3,272,048	<u>\$ 1,387,802</u>
Fund balances - beginning			<u>5,182,441</u>	
Fund balances - ending			<u>\$ 8,454,489</u>	

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

City of Dunedin, Florida
Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2017

	<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>				
Property taxes	\$ 567,600	\$ 567,600	\$ 569,442	\$ 1,842
Investment earnings	1,200	1,200	1,833	633
Rents	42,800	42,800	42,050	(750)
Total revenues	<u>611,600</u>	<u>611,600</u>	<u>613,325</u>	<u>1,725</u>
<u>EXPENDITURES</u>				
Current:				
Economic environment	338,500	353,893	331,851	22,042
Capital outlay:				
Economic environment	47,800	95,654	38,634	57,020
Aids and grants	40,000	40,000	33,541	6,459
Total expenditures	<u>426,300</u>	<u>489,547</u>	<u>404,026</u>	<u>85,521</u>
Excess of revenues over expenditures	<u>185,300</u>	<u>122,053</u>	<u>209,299</u>	<u>87,246</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(71,400)</u>	<u>(71,400)</u>	<u>(71,400)</u>	<u>-</u>
Total other financing sources (uses)	<u>(71,400)</u>	<u>(71,400)</u>	<u>(71,400)</u>	<u>-</u>
Net change in fund balances	<u>\$ 113,900</u>	<u>\$ 50,653</u>	137,899	<u>\$ 87,246</u>
Fund balances - beginning			<u>197,718</u>	
Fund balances - ending			<u>\$ 335,617</u>	

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

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Home of Honeymoon Island

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City of Dunedin, Florida
Statement of Net Position - Proprietary Funds
September 30, 2017

	Business-type Activities - Enterprise Funds						Governmental
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Parking	Total	Internal Service Funds
ASSETS							
Current assets:							
Cash, cash equivalents, and investments	\$ 518,348	\$ 12,194,391	\$ 4,206,537	\$ 1,061,366	\$ 3,063,982	\$ 21,044,624	\$ 11,451,003
Restricted cash-customer deposits	132,040	1,342,659	-	68,643	-	1,543,342	-
Restricted cash-impact fees	-	1,456,178	-	-	-	1,456,178	-
Receivables-net of allowance for uncollectibles	567,272	1,667,063	351,829	32,929	-	2,619,093	66,528
Interest receivable	2,005	39,422	13,611	2,900	6,078	64,016	29,410
Charges receivable-capital recovery	-	226,500	-	-	-	226,500	-
Due from other governments	1,493	145,671	-	-	-	147,164	-
Inventories	-	511,731	-	-	-	511,731	94,937
Prepaid items	-	-	-	-	-	-	48,374
Deposits	-	-	-	-	-	-	111,026
Total current assets	<u>1,221,158</u>	<u>17,583,615</u>	<u>4,571,977</u>	<u>1,165,838</u>	<u>3,070,060</u>	<u>27,612,648</u>	<u>11,801,278</u>
Noncurrent assets:							
Charges receivable-capital recovery	-	1,489,760	-	-	-	1,489,760	-
Capital assets:							
Land	-	398,676	250,000	-	-	648,676	-
Buildings	482,009	15,929,774	10,815	123,301	-	16,545,899	1,831,682
Improvements other than buildings	49,543	108,160,703	31,704,864	3,523,044	5,253	143,443,407	4,744
Machinery and equipment	2,725,665	1,922,924	704,005	10,268	-	5,362,862	13,647,432
Construction in progress	-	108,369	-	23,103	-	131,472	113,567
Less accumulated depreciation	(1,430,502)	(94,168,240)	(10,836,495)	(2,227,332)	(29)	(108,662,598)	(10,845,471)
Total capital assets, net	<u>1,826,715</u>	<u>32,352,206</u>	<u>21,833,189</u>	<u>1,452,384</u>	<u>5,224</u>	<u>57,469,718</u>	<u>4,751,954</u>
Total noncurrent assets	<u>1,826,715</u>	<u>33,841,966</u>	<u>21,833,189</u>	<u>1,452,384</u>	<u>5,224</u>	<u>58,959,478</u>	<u>4,751,954</u>
Total assets	<u>3,047,873</u>	<u>51,425,581</u>	<u>26,405,166</u>	<u>2,618,222</u>	<u>3,075,284</u>	<u>86,572,126</u>	<u>16,553,232</u>
DEFERRED OUTFLOWS							
Pensions and OPEB	137,506	467,490	64,777	233	-	670,006	2,980
Total deferred outflows	<u>137,506</u>	<u>467,490</u>	<u>64,777</u>	<u>233</u>	<u>-</u>	<u>670,006</u>	<u>2,980</u>

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

City of Dunedin, Florida
Statement of Net Position - Proprietary Funds (Continued)
September 30, 2017

	Business-type Activities - Enterprise Funds						Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Parking	Total	Internal Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 145,644	\$ 450,708	\$ 358,977	\$ 9,508	\$ 42,925	\$ 1,007,762	\$ 472,325
Accrued liabilities	-	-	-	2,220	881	3,101	-
Contracts payable	-	398,002	195,801	9,417	-	603,220	1,525
Accrued salaries payable	22,774	88,264	13,032	2,518	51	126,639	29,893
Compensated absences	-	22,054	-	-	-	22,054	-
Accrued interest payable	6,759	254,946	201,934	-	-	463,639	6,080
Customer deposit payable-restricted asset	132,040	1,342,659	-	68,643	-	1,543,342	-
Bonds payable	-	1,058,887	457,842	-	-	1,516,729	-
Capital leases payable	136,594	-	-	-	-	136,594	122,874
Claims liabilities	-	-	-	-	-	-	240,173
Unearned revenue	1,141	-	-	-	-	1,141	-
Total current liabilities	<u>444,952</u>	<u>3,615,520</u>	<u>1,227,586</u>	<u>92,306</u>	<u>43,857</u>	<u>5,424,221</u>	<u>872,870</u>
Noncurrent liabilities:							
Bonds payable	-	12,839,088	11,691,337	-	-	24,530,425	-
Capital leases payable	423,118	-	-	-	-	423,118	380,619
Compensated absences	162,666	699,273	59,954	11,058	93	933,044	233,388
OPEB liability	82,508	338,321	56,387	8,292	-	485,508	106,001
Net pension liability	329,829	1,158,448	150,356	-	-	1,638,633	-
Claims liabilities	-	-	-	-	-	-	729,701
Total noncurrent liabilities	<u>998,121</u>	<u>15,035,130</u>	<u>11,958,034</u>	<u>19,350</u>	<u>93</u>	<u>28,010,728</u>	<u>1,449,709</u>
Total liabilities	<u>1,443,073</u>	<u>18,650,650</u>	<u>13,185,620</u>	<u>111,656</u>	<u>43,950</u>	<u>33,434,949</u>	<u>2,322,579</u>
DEFERRED INFLOWS							
Pensions	96,114	349,090	41,542	-	-	486,746	-
Total deferred inflows	<u>96,114</u>	<u>349,090</u>	<u>41,542</u>	<u>-</u>	<u>-</u>	<u>486,746</u>	<u>-</u>
NET POSITION							
Net investment in capital assets	1,267,003	18,454,231	9,684,010	1,452,384	5,224	30,862,852	4,248,461
Restricted for capital projects	-	1,456,178	-	-	-	1,456,178	-
Unrestricted	379,189	12,982,922	3,558,771	1,054,415	3,026,110	21,001,407	9,985,172
Total net position	<u>\$ 1,646,192</u>	<u>\$ 32,893,331</u>	<u>\$ 13,242,781</u>	<u>\$ 2,506,799</u>	<u>\$ 3,031,334</u>	<u>53,320,437</u>	<u>\$ 14,233,633</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						4,159,599	
Net position of business-type activities on the Government-wide Statement of Net Position						<u>\$ 57,480,036</u>	

City of Dunedin, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds						Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Parking	Total	Internal Service Funds
Operating revenues:							
Charges for services	\$ 5,134,904	\$ 15,844,431	\$ 3,523,833	\$ 532,872	\$ 793,573	\$ 25,829,613	\$ 10,838,296
Other operating revenue	85,851	356,150	9,417	-	11,386	462,804	136,313
Total operating revenues	<u>5,220,755</u>	<u>16,200,581</u>	<u>3,533,250</u>	<u>532,872</u>	<u>804,959</u>	<u>26,292,417</u>	<u>10,974,609</u>
Operating expenses:							
Personal services	1,373,909	6,042,825	804,999	194,554	4,296	8,420,583	1,934,705
Supplies and services	3,151,766	6,935,866	1,120,126	123,976	587,761	11,919,495	7,384,383
Depreciation	277,514	3,604,045	1,380,134	68,566	29	5,330,288	1,040,917
Total operating expenses	<u>4,803,189</u>	<u>16,582,736</u>	<u>3,305,259</u>	<u>387,096</u>	<u>592,086</u>	<u>25,670,366</u>	<u>10,360,005</u>
Operating income (loss)	<u>417,566</u>	<u>(382,155)</u>	<u>227,991</u>	<u>145,776</u>	<u>212,873</u>	<u>622,051</u>	<u>614,604</u>
Nonoperating revenues (expenses):							
Investment earnings	5,480	338,172	45,154	8,287	20,061	417,154	83,661
Interest/amortization expense	(9,552)	(571,477)	(290,837)	-	-	(871,866)	(8,593)
Gain (loss) on disposal of capital assets	-	(56,962)	17,105	-	-	(39,857)	71,631
Total nonoperating revenues (expenses)	<u>(4,072)</u>	<u>(290,267)</u>	<u>(228,578)</u>	<u>8,287</u>	<u>20,061</u>	<u>(494,569)</u>	<u>146,699</u>
Income before contributions and transfers	413,494	(672,422)	(587)	154,063	232,934	127,482	761,303
Capital contributions	-	300,607	-	-	-	300,607	-
Transfers in	-	-	-	-	2,798,400	2,798,400	576,823
Transfers out	<u>(148,542)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(148,542)</u>	<u>-</u>
Change in net position	264,952	(371,815)	(587)	154,063	3,031,334	3,077,947	1,338,126
Net position - beginning as restated	1,381,240	33,265,146	13,243,368	2,352,736	-	-	12,895,507
Net position - ending	<u>\$ 1,646,192</u>	<u>\$ 32,893,331</u>	<u>\$ 13,242,781</u>	<u>\$ 2,506,799</u>	<u>\$ 3,031,334</u>	<u>\$ 3,031,334</u>	<u>\$ 14,233,633</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.						243,053	
Changes in net position of business-type activities on the Government-wide Statement of Activities						<u>\$ 3,321,000</u>	

City of Dunedin, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds						Governmental
	Solid	Water/Sewer	Stormwater	Marina	Parking	Total	Internal Service
	Waste	Utility	Utility				Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 5,198,836	\$ 16,099,241	\$ 3,495,288	\$ 572,807	\$ 793,573	\$ 26,159,745	\$ 10,773,207
Payments to suppliers	(3,297,882)	(6,709,194)	(1,014,790)	(131,303)	(543,955)	(11,697,124)	(6,823,492)
Payments to employees	(1,365,012)	(5,978,425)	(800,450)	(193,898)	(4,152)	(8,341,937)	(1,503,138)
Other operating revenues	85,851	356,150	9,417	-	11,386	462,804	136,313
Net cash provided by (used in) operating activities	621,793	3,767,772	1,689,465	247,606	256,852	6,583,488	2,582,890
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in	-	-	-	-	2,798,400	2,798,400	576,823
Transfers out	(148,542)	-	-	-	-	(148,542)	-
Net cash provided by (used in) noncapital financing activities	(148,542)	-	-	-	2,798,400	2,649,858	576,823
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase of capital assets	(1,155,564)	(4,967,566)	(3,790,568)	(3,504)	(5,253)	(9,922,455)	(685,302)
Principal paid on capital debt	(134,429)	(1,020,675)	(459,054)	-	-	(1,614,158)	(120,927)
Interest paid on capital debt	(11,175)	(521,380)	(410,743)	-	-	(943,298)	(10,053)
Proceeds from sale of capital assets	-	980	17,105	-	-	18,085	71,631
Proceeds from capital contributions	-	272,107	-	-	-	272,107	-
Advances from other funds	-	1,365,265	-	-	-	1,365,265	-
Net cash provided by (used in) capital and related financing activities	(1,301,168)	(4,871,269)	(4,643,260)	(3,504)	(5,253)	(10,824,454)	(744,651)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment earnings received	5,335	325,024	42,406	6,725	13,983	393,473	68,627
Net cash provided by (used in) investing activities	5,335	325,024	42,406	6,725	13,983	393,473	68,627
Net increase (decrease) in cash and cash equivalents	(822,582)	(778,473)	(2,911,389)	250,827	3,063,982	(1,197,635)	2,483,689
Cash and cash equivalents - October 1	1,472,970	15,771,701	7,117,926	879,182	-	25,241,779	8,967,314
Cash and cash equivalents - September 30	\$ 650,388	\$ 14,993,228	\$ 4,206,537	\$ 1,130,009	\$ 3,063,982	\$ 24,044,144	\$ 11,451,003
CLASSIFIED AS:							
Cash and cash equivalents	\$ 518,348	\$ 12,194,391	\$ 4,206,537	\$ 1,061,366	\$ 3,063,982	\$ 21,044,624	\$ 11,451,003
Restricted cash and cash equivalents	132,040	2,798,837	-	68,643	-	2,999,520	-
Total cash and cash equivalents	\$ 650,388	\$ 14,993,228	\$ 4,206,537	\$ 1,130,009	\$ 3,063,982	\$ 24,044,144	\$ 11,451,003
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 417,566	\$ (382,155)	\$ 227,991	\$ 145,776	\$ 212,873	\$ 622,051	\$ 614,604
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	277,514	3,604,045	1,380,134	68,566	29	5,330,288	1,040,917
(Increase) decrease in:							
Accounts receivable	61,549	206,555	(27,945)	(880)	-	239,279	(65,089)
Inventories	-	33,769	-	-	-	33,769	(9,745)
Due from other governments	(688)	(14,455)	-	30,057	-	14,914	-
Prepaid items	306	5,544	-	-	-	5,850	445,914
Deposits	-	-	-	-	-	-	(18,858)
Deferred outflows	(241)	(2,356)	(705)	(233)	-	(3,535)	(2,980)
Increase (decrease) in:							
Accounts payable	(146,422)	187,359	105,336	(7,327)	43,806	182,752	143,580
Accrued wages payable	6,090	11,308	3,672	73	51	21,194	4,256
Net pension liability	(18,289)	(62,913)	(7,742)	-	-	(88,944)	-
Deposits	3,071	62,710	(600)	10,758	-	75,939	-
Deferred inflows	22,503	77,408	9,525	-	-	109,436	-
Claims liabilities	-	-	-	-	-	-	401,064
Compensated absences / OPEB	(1,166)	40,953	(201)	816	93	40,495	29,227
Total adjustments	204,227	4,149,927	1,461,474	101,830	43,979	5,961,437	1,968,286
Net cash provided by (used in) operating activities	\$ 621,793	\$ 3,767,772	\$ 1,689,465	\$ 247,606	\$ 256,852	\$ 6,583,488	\$ 2,582,890
Schedule of non-cash capital and related financing activities:							
Contributions of capital assets							
Non-Cash	-	28,500	-	-	-	28,500	-

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

DUNEDIN

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Fiduciary Funds

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

Pension Trust

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

City of Dunedin, Florida
Statement of Net Position
Fiduciary Fund
September 30, 2017

	Municipal Firefighters Pension Trust Fund
ASSETS	
Investments	
U.S. government obligations	\$ 1,682,120
U.S. government agencies	1,169,438
Corporate equities	17,506,053
Temporary investment funds	355,611
Real estate investment funds	2,866,773
Corporate obligations	2,941,934
Receivables - employer	57,462
Receivables - plan members	6,353
Due from other governments	298,122
Prepaid items	874
Interest receivable	44,803
Total assets	<u>26,929,543</u>
LIABILITIES	
Accounts payable	<u>33,131</u>
Total liabilities	<u>33,131</u>
NET POSITION	
Restricted for pensions	<u><u>\$ 26,896,412</u></u>

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

City of Dunedin, Florida
Statement of Changes in Net Position
Fiduciary Fund
For the Fiscal Year Ended September 30, 2017

	Municipal Firefighters Pension Trust Fund
ADDITIONS:	
Contributions	
Employer	\$ 446,583
Plan members	181,791
Excise tax rebate (state of Florida)	298,122
Total contributions	<u>926,496</u>
Investment earnings	
Net appreciation in fair value of investments	1,557,043
Interest	198,979
Dividends	265,558
Total investment earnings	<u>2,021,580</u>
Less investment expenses	<u>(136,065)</u>
Net investment earnings	<u>1,885,515</u>
Miscellaneous revenue	<u>3,319</u>
Total additions	<u>2,815,330</u>
DEDUCTIONS:	
Benefits	1,124,453
Refunds	13,941
Administrative expenses	66,799
Total deductions	<u>1,205,193</u>
Change in net position	1,610,137
Net position - beginning	<u>25,286,275</u>
Net position - ending	<u><u>\$ 26,896,412</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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 35,700 (which includes seasonal residents) living within an area approximating 10 square miles. The City is contiguous to the northern side of Clearwater, Florida. The City operates under a Charter originally adopted January 6, 1926, and a Commission-Manager form of government. The most recent revision to the City's Charter was on November 6, 2012.

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

A. REPORTING ENTITY

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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

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

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

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

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

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

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

The City reports the following major funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial sources of the general government, except those required to be accounted for in another fund.

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

- The *One Cent Sales Tax Fund* is a special revenue fund and accounts for the costs of infrastructure having a life expectancy of five (5) or more years and is funded by proceeds from the one-cent sales surtax approved by Pinellas County, Florida voters.
- The *Community Redevelopment Agency Fund* is a special revenue fund to account for the receipt, custody and expenditure of property tax increment funds associated with related redevelopment projects.
- The *Solid Waste Fund* is an enterprise fund and accounts for the provision of solid waste services to the residents of the City and some County residents. All activities necessary to the provisions of this service are accounted for in this fund.
- The *Water/Sewer Utility Fund* is an enterprise fund and accounts for the provision of water and sewer services to residents of the City, and some County residents. All activities necessary for the provision of these services are accounted for in this fund.
- The *Stormwater Utility Fund* is an enterprise fund and accounts for the provision of services for the collection, storage, treatment and conveyance of stormwater for the benefit of all developed property within the City.
- The *Marina Fund* is an enterprise fund and accounts for the financing, operation and maintenance of the City marina and the associated real property.
- The *Parking Fund* is an enterprise fund and accounts for the financing, operation and maintenance associated with paid and complimentary parking in the downtown area.

Additionally, the City reports the following fund types:

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

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

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

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

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

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION

1. Deposits and Investments

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

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

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

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

The City categorizes its fair value measurements within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Types and amounts of investments held at fiscal year-end are described in a subsequent note.

2. Receivables and Payables

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

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

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

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

3. Property Taxes

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

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

On or before April 25 of each year, a list of delinquent personal property tax payers is advertised. Warrants are issued directing seizure and sale of the personal property of the taxpayer if the delinquent taxes are not paid before May. 1. On or before June 1 of the following year in which taxes are assessed, liens are filed and tax certificates are sold on all real estate parcels with outstanding taxes.

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, 2017, was 4.1345.

4. Inventories

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

5. Prepaid Items

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

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

7. Deferred Outflows of Resources

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

8. Accumulated Unused Compensated Absences

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

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

9. Long-term Obligations

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

10. Postemployment Health and Life Insurance Benefits

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

11. Restricted Assets

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

12. Unearned Revenue

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

13. Deferred Inflows of Resources

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

14. Fund Balance

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

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

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

15. Encumbrances

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

16. Net Position

Net position reported in the government-wide and proprietary fund financial statements is categorized as net investment in capital assets, restricted or unrestricted. The first category represents net position related to net investment in capital assets. Restricted net position represents net position restricted for capital projects, community redevelopment, the stadium, housing services, public safety, bequests, and other externally imposed constraints or imposed by law through constitutional provisions or enabling legislation.

E. REVENUES, EXPENDITURES AND EXPENSES

1. Operating Subsidies, Grants, and Impact Fees

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

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

2. Interfund Transactions

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

3. Administrative Charges

Certain administrative expenses are incurred by the General Fund on behalf of the other funds. In addition, some administrative charges are incurred by the Water/Sewer Utility Fund for services rendered that benefit other funds. Both the General Fund and the Water/Sewer Utility Fund receive payment for these services based on a percentage allocation in accordance with budgeted appropriations. These administrative reimbursements for the year ended September 30, 2017, are presented below.

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

Fund	Amount
Building Code	\$ 65,300
Solid Waste	333,600
Water/ Sewer Utility	1,193,800
Marina	24,100
Stormwater	264,300
Parking	52,700
Total	\$ 1,933,800

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

<u>Fund</u>	<u>Amount</u>
Solid Waste	\$ 149,700
Stormwater	62,400
Total	<u>\$ 212,100</u>

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

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

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

NOTE III – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. THE CITY’S BUDGET POLICY IS SUMMARIZED AS FOLLOWS:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year-end.
2. The City Manager submits to the City Commission a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is approved by the City Commission through the passage of a resolution. The level on which expenditures/expenses may not legally exceed appropriations is at the fund level.
5. The appropriated budget is prepared by fund, function and department. The City Manager is authorized to transfer budgeted amounts between departments, and make budget transfers affecting personnel, provided these changes have a zero net effect on the City’s budget. All increases and decreases in fund balance, personnel budget changes, and transfers between funds, must have City Commission approval.

B. ESTABLISHMENT/ELIMINATION OF FUNDS

During the fiscal year ended, September 30, 2017, the following funds were established or eliminated:

- The Building Code Fund was established as a Special Revenue Fund.
- The Parking Fund was established as an Enterprise Fund.
- The Capital Improvement Fund, a Capital Project Fund, was eliminated.

NOTE IV – DETAIL NOTES - ALL FUNDS

A. ASSETS

1. Cash and Cash Equivalents and Investments

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

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

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

a. Custodial Credit Risk – Cash and Investments

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

The City's investment policy requires that time deposits, demand deposits, savings accounts and non-negotiable certificates of deposit must be held by institutions organized under the laws of Florida and/or in national banks organized under the laws of the United States and doing business and situated in Florida as qualified public depositories, ensuring that any such deposits are secured and collateralized according to the Florida Security for Public

CITY OF DUNEDIN, FLORIDA
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Deposits Act (Chapter 280 of the Florida Statutes). In addition, the policy requires all investment securities to be held by a third party custodian in the name of the City.

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

As of September 30, 2017, the bank balance of the City's deposits was \$6,925,995. 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, 2017, the Firefighters Pension Plan’s investments are managed under separate investment agreements with Great Lakes Advisors, LLC, Rockwood Capital Advisors, LLC and Harding Loevner LP. These agreements give Regions the custodianship, but gives Great Lakes Advisors, LLC, Rockwood Capital Advisors, LLC and Harding Loevner LP the authority to manage the investments. These assets are invested in accordance with specific investment guidelines as set forth in the Plan.

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

CITY OF DUNEDIN, FLORIDA
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b. Credit Risk

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

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

The City's cash and cash equivalents and investments consisted of the following as of September 30, 2017:

Investment Type	Fair Value	Standard & Poor's Rating	% of Total	Weighted Average Maturity	Hierarchy Level
Florida SAFE	\$ 12,079,471	AAAm	23.32%	59 Days	n/a
US Government Agencies	3,990,953	AA+	7.71%		2
Florida CLASS	10,087,503	AAAm	19.48%	73 Days	n/a
SBA - Florida PRIME	2,247,924	AAAm	4.34%	80 Days	n/a
Certificate of Deposits	17,000,000		32.82%		n/a
Cash in bank	6,385,371		12.33%		n/a
Petty cash	3,880		0.01%		n/a
Total Cash and Investments	<u>\$ 51,795,102</u>				

Florida SAFE is a surplus asset trust fund, which was developed by and for Florida local governments. Florida SAFE adheres to the requirement to maintain a net asset value of \$1.00 per share or higher. Florida SAFE invests its proceeds in U.S. Government Agencies and Commercial Paper. Florida CLASS is an intergovernmental investment pool authorized under Section 218.415 Florida Statutes. SBA-Florida PRIME operates as a '2a-7 like' fund. There are no withdrawal restrictions with SBA-Florida PRIME, Florida CLASS or Florida SAFE.

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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Investments held by the Firefighters Pension Plan are summarized as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard & Poor's Rating</u>	<u>% of Total</u>	<u>Effective Duration (In Years)</u>	<u>Hierarchy Level</u>
U.S. Government Obligations	\$ 1,682,120	AA	6.34%	6.2	1
U.S. Government Agencies	1,169,438	AA	4.41%	4.7	2
Corporate Obligations	2,941,934	BAA-A	11.09%	7.6	2
Temporary Investment Funds	355,611	AAA	1.34%	Daily	2
Domestic Stocks	13,066,288		49.27%		1
International Stocks	4,439,765		16.74%		1
Real Estate Investment Fund	2,866,773		10.81%		n/a
Total Pension Funds	<u>\$ 26,521,929</u>				

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

c. Concentration of Credit Risk

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

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

The Firefighters Pension Plan's policy limits investments in foreign fixed income or equity securities to 25% of the total portfolio. The equity and bond investment mix is targeted at 60% equities and 40% bonds. In addition, not more than 5% of the portfolio may be invested in common stock of any one issuing company. The Firefighters Pension Plan had no investments that individually represented 5% or more of the Plan's net assets available for benefits as of September 30, 2017.

d. Interest Rate Risk

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

The Firefighters Pension Plan's investment policy limits the effective duration of its fixed income portfolios through the adoption of the Barclays Capital Aggregate Bond Index benchmark. The U.S. Government obligations had an effective duration of 6.2 years; the U.S. Government agencies had an effective duration of 4.7 years, and corporate obligations had an effective duration of 7.6 years.

2. Receivables

a. Notes Receivable

On March 11, 2016 the City entered into a Development Agreement with Developer, 203 N. Marion Street, L.L.C. to convey City property valued at \$400,000. During the same time period the same Developer and the City entered into a Parking Garage Lease whereby the City will lease 215 parking spaces from the Developer. In return for the conveyance of the City property to the Developer, the Developer will pay its purchase price money obligation amortized over a 20 year period with interest and annual installments of \$32,211. The payments to the City will be applied against the City's obligations under the terms of the Parking Garage Lease.

CITY OF DUNEDIN, FLORIDA
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b. Receivables

Receivables as of the fiscal year ended September 30, 2017, for the City's major governmental and enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	One Cent			Solid Waste	Water/ Sewer Utility	Storm- water Utility	Marina	Parking	Total
	General	Sales Tax	CRA ¹						
Receivables:									
Accounts Billed	\$608,427	\$ -	\$ -	\$205,195	\$ 634,976	\$126,826	\$35,995	\$ -	\$1,611,419
Accounts Unbilled	-	-	-	362,537	1,059,325	227,934	-	-	1,649,796
Liens	-	-	-	13,919	7,032	3,229	-	-	24,180
Reclaimed									
Connection Fees	-	-	-	-	226,500	-	-	-	226,500
Interest	<u>24,036</u>	<u>18,179</u>	<u>727</u>	<u>2,005</u>	<u>39,422</u>	<u>13,611</u>	<u>2,900</u>	<u>6,078</u>	<u>106,958</u>
Gross Receivables	632,463	18,179	727	583,656	1,967,255	371,600	38,895	6,078	3,618,853
Less: Allowance for									
Uncollectibles	<u>787</u>	<u>-</u>	<u>-</u>	<u>14,379</u>	<u>34,270</u>	<u>6,160</u>	<u>3,066</u>	<u>-</u>	<u>58,662</u>
Net Total Receivables	<u>\$631,676</u>	<u>\$18,179</u>	<u>\$727</u>	<u>\$569,277</u>	<u>\$1,932,985</u>	<u>\$365,440</u>	<u>\$35,829</u>	<u>\$6,078</u>	<u>\$3,560,191</u>

¹ Community Redevelopment Agency (CRA)

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

3. Capital Assets

a. Capital Asset Activity

Capital asset activity for the fiscal year ended September 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 22,101,254	\$ -	\$ -	\$ 22,101,254
Construction in Process	650,209	232,267	(644,011)	238,465
Total Capital not being Depreciated	<u>22,751,463</u>	<u>232,267</u>	<u>(644,011)</u>	<u>22,339,719</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	46,409,269	371,846	-	46,781,115
Infrastructure	11,572,337	339,645	-	11,911,982
Improvements other than Buildings	30,222,795	719,785	(11,463)	30,931,117
Machinery and Equipment	21,639,035	972,265	(984,975)	21,626,325
Total Capital Assets being Depreciated	<u>109,843,436</u>	<u>2,403,541</u>	<u>(996,438)</u>	<u>111,250,539</u>
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(21,624,734)	(1,504,399)	-	(23,129,133)
Infrastructure	(2,960,972)	(378,038)	-	(3,339,010)
Improvements other than Buildings	(18,160,995)	(1,524,084)	11,463	(19,673,616)
Machinery and Equipment	(15,827,379)	(1,294,817)	984,356	(16,137,840)
Total Accumulated Depreciation	<u>(58,574,080)</u>	<u>(4,701,338)</u>	<u>995,819</u>	<u>(62,279,599)</u>
Total Capital Assets being Depreciated, net	<u>51,269,356</u>	<u>(2,297,797)</u>	<u>(619)</u>	<u>48,970,940</u>
Governmental Activities Capital Assets, net	<u>\$ 74,020,819</u>	<u>\$ (2,065,530)</u>	<u>\$ (644,630)</u>	<u>\$ 71,310,659</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 648,676	\$ -	\$ -	\$ 648,676
Construction in Process	<u>1,002,398</u>	<u>111,872</u>	<u>(982,798)</u>	<u>131,472</u>
Total Capital not being Depreciated	<u>1,651,074</u>	<u>111,872</u>	<u>(982,798)</u>	<u>780,148</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	16,507,426	38,473	-	16,545,899
Improvements other than Buildings	133,960,649	9,705,613	(222,855)	143,443,407
Machinery and Equipment	<u>4,182,680</u>	<u>1,196,742</u>	<u>(16,560)</u>	<u>5,362,862</u>
Total Capital Assets being Depreciated	<u>154,650,755</u>	<u>10,940,828</u>	<u>(239,415)</u>	<u>165,352,168</u>
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(15,666,057)	(113,027)	-	(15,779,084)
Improvements other than Buildings	(85,105,331)	(4,816,165)	164,911	(89,756,585)
Machinery and Equipment	<u>(2,742,393)</u>	<u>(401,096)</u>	<u>16,560</u>	<u>(3,126,929)</u>
Total Accumulated Depreciation	<u>(103,513,781)</u>	<u>(5,330,288)</u>	<u>181,471</u>	<u>(108,662,598)</u>
Total Capital Assets being Depreciated, net	<u>51,136,974</u>	<u>5,610,540</u>	<u>(57,944)</u>	<u>56,689,570</u>
Business-type Activities Capital Assets, net	<u>\$ 52,788,048</u>	<u>\$ 5,722,412</u>	<u>\$ (1,040,742)</u>	<u>\$ 57,469,718</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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b. Depreciation

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

Governmental Activities:

General Government	\$	550,637
Public Safety		290,746
Transportation		566,095
Economic		382,115
Culture and Recreation		1,870,828
Internal Service Funds		<u>1,040,917</u>
Total Depreciation Expense	\$	<u><u>4,701,338</u></u>

Business-type Activities:

Solid Waste	\$	277,514
Water/Sewer Utility		3,604,045
Stormwater Utility		1,380,134
Marina		68,566
Parking		<u>29</u>
Total Depreciation Expense	\$	<u><u>5,330,288</u></u>

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

c. Construction Contracts

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

	<u>September 30, 2017</u>	
	<u>Estimated Project Amount</u>	<u>Construction in Progress</u>
Governmental Activities:		
The City contracted with a vendor for a new Citywide ERP software system.	\$ 934,077	\$ 181,442
The City contracted, completed the design, and is in the process of contracting for the construction of a pavilion near the Pinellas Trail.	50,000	11,838
The City has begun the design process for the construction of a boardwalk at Hammock Park.	50,000	8,741
The City contracted for the refurbishment of the Marina fishing pier.	165,000	36,444
Total Governmental Activities	<u>\$ 1,199,077</u>	<u>\$ 238,465</u>

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

	<u>September 30, 2017</u>	
	<u>Estimated Project Amount</u>	<u>Construction in Progress</u>
<u>Marina Fund:</u>		
The City has contracted for design services related to improvements to docks A, B and C at the Marina.	\$ 250,000	\$ 19,600
The City contracted for engineering services related to the removal of sediment from the City Marina.	937,500	3,503
<u>Water/Sewer Utility Fund:</u>		
The City contracted for design services required for the rehabilitation of the Reverse Osmosis Water Treatment Plant.	4,701,000	89,371
The City has contracted for design services required for the rehabilitation of facility #8 (Denite Filter Building) at the Wastewater Plant.	850,000	12,316
The City has begun the contracting process for the feed system conversion project at the City's Wastewater Plant.	763,000	5,132
The City has begun the design process required for the replacement of the roof at the Reverse Osmosis Water Treatment Plant.	215,000	1,550
Total Enterprise Funds	<u>\$7,716,500</u>	<u>\$ 131,472</u>

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d. Other Significant Commitments

The government has active projects as of September 30, 2017. The projects include the Water Treatment Plant design and build, drainage improvements to Lakewood Estates, replacement of the Enterprise Resource Planning (ERP) System, Stormwater Master Plan update, Wastewater Treatment Wet Well repair, and the purchase of vehicles for fleet. At year end, the City's significant outstanding purchase commitments were as follows:

<u>Project</u>	<u>Remaining Commitment</u>
Water Treatment Plant Design and Build	\$ 3,834,197
Fleet Vehicle Commitments	1,533,800
Lakewood Estates Drainage Improvements	923,235
Enterprise Resource Planning (ERP) System Replacement	752,721
Stormwater Master Plan Update	539,422
Wastewater Treatment Wet Well Repair	249,663
Total	<u>\$ 7,833,038</u>

The remaining commitment amounts were encumbered at fiscal year end.

4. Interfund Transfers, Receivables and Payables

a. Interfund Transfers

<u>Transfers Out:</u>	<u>Transfers In:</u>					
	<u>General</u>	<u>One Cent Sales Tax</u>	<u>Non Major Government</u>	<u>Parking</u>	<u>Internal Service</u>	<u>Total</u>
General	\$ -	\$ -	\$ 411,311	\$ 2,749,400	\$ -	\$ 3,160,711
One Cent Sales Tax	-	-	-	-	428,281	428,281
CRA	22,400	-	-	49,000	-	71,400
Non-Major Governmental	-	1,098,074	-	-	-	1,098,074
Solid Waste	-	-	-	-	148,542	148,542
Total Transfers	<u>\$ 22,400</u>	<u>\$ 1,098,074</u>	<u>\$ 411,311</u>	<u>\$ 2,798,400</u>	<u>\$ 576,823</u>	<u>\$ 4,907,008</u>

The General Fund transferred \$167,000 into the Stadium Fund to support annual operations, maintenance needs, and a portion of debt service on the existing stadium. In addition, the General Fund transferred \$244,311 to establish the Building Fund. This amount includes FY 2016 ending revenue over expense of \$164,000, and \$80,311 that was assigned for Building's portion of the new ERP system. The ERP system had been encumbered in FY 2015 within the General Fund but was released in FY 2017 when the contract with the vendor was terminated. The cancelled encumbrance was then transferred to the Building Fund for expenditure in FY 2017 to a new vendor. The \$2,749,400 transfer to the Parking Fund represents the BP

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Settlement funds that were assigned to buy down a long-term lease of 215 spaces in a private parking structure.

The One Cent Sales Tax Fund transferred \$428,281 to the IT Services Internal Service Fund for capital costs associated with the purchase of the City's new ERP system, purchased in FY 2017.

The CRA Fund transferred \$22,400 the General Fund to offset expenditures of \$10,400 related to three downtown events and \$12,000 for grounds maintenance of the downtown community redevelopment district. In addition, the CRA transferred \$49,000 to the Parking Fund to pay for parking lot leases within the CRA district.

The Impact Fee Funds transferred \$1,098,074 to the One Cent Sales Tax Fund to payback a portion of a FY 2016 interfund loan to purchase the Our Lady of Lourdes property.

The Solid Waste Fund transferred \$148,542 to the Fleet Fund as a partial reimbursement for the Solid Waste vehicle purchased by Fleet in FY 2012 that was not part of the vehicle reimbursement program.

b. Interfund Receivables and Payables

<u>Due From Other Funds / Receivable</u>		<u>Due To Other Funds / Payable</u>	
<u>Fund</u>	<u>Amount</u>	<u>Fund</u>	<u>Amount</u>
Impact Fee Fund	\$ 928,374	One Cent Sales Tax Fund	\$ 928,374

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

B. LONG-TERM DEBT

The following presents the long-term debt during the fiscal year ended September 30, 2017:

1. Capital Leases

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

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The future minimum lease obligations and the net present value of these minimum lease payments at September 30, 2017, were as follows:

Fiscal Year	Annual Payments
2018	\$ 276,585
2019	276,585
2020	276,585
2021	276,585
2022	-
Total Minimum Lease Payments	1,106,340
Less: Amount Representing Interest	43,135
Present Value of Minimum Lease Payments	<u>\$ 1,063,205</u>

2. Non-current Liabilities

a. Spring Training Facility - Sales Tax Refunding Revenue Notes, Series 2012, Series 2012A and Series 2012B

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

On November 9, 2012 the remaining principal of Series 2001B and 2001C were refunded by the Non-Ad Valorem Refunding Revenue Note, (Spring Training Facility), Series 2012A in the amount \$510,000 and the Taxable Non-Ad Valorem Refunding Revenue Note (Spring Training Facility), Series 2012B in the amount of \$1,454,000. Series 2012A was issued to pay principal and interest on Series 2001B, and to pay issuance costs of the new debt. Series 2012B was issued to pay principal and interest on Series 2001C, and to pay issuance costs of the new debt. Final payments were made on both Series 2012A and 2012B on April 5, 2016.

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

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

	<u>Series 2012</u>
Original Amount Issued	\$ 3,280,000
Final Maturity	April 1, 2021
Interest Rates	1.51%
Monthly Payments	<u>\$ 34,596</u>
Amount Outstanding at September 30, 2017	<u>\$ 1,447,121</u>

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

On January 23, 2015, the City issued \$6,505,000 Sales Tax Refunding Revenue Bond, Series 2015, authorized by Resolutions 14-37, 14-38 and 15-04, collectively the 2015 Bond Resolution. The City's Sales Tax Revenues are pledged as collateral. The purpose of incurring the debt was to fully advance refund all amounts outstanding of \$10,000,000 Sales Tax Revenue Bonds, Series 2005. The original bonds were used to pay or reimburse the costs of acquisition, construction, and equipment installation for the City Community Center.

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

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

The term, interest rate and payments are as follows:

Original Amount Issued	\$ 6,505,000
Final Maturity	October 1, 2025
Interest Rate	1.96%
Annual Payments Range	<u>\$ 543,000 - 676,000</u>
Amount Outstanding at September 30, 2017	<u>\$ 5,535,000</u>

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

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

The term, interest rate and payments are as follows:

Original Amount Issued	\$	1,280,000
Final Maturity		October 1, 2028
Interest Rate		2.87%
Annual Payments	\$	<u>106,000</u>
Amount Outstanding at September 30, 2017	\$	<u>1,062,000</u>

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

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

Scheduled payments of principal and interest on these bonds which mature on October 1, 2018 through October 1, 2027, is guaranteed under a municipal bond insurance policy issued by Assured Guaranty Municipal Corporation. The bonds are secured by a pledge of net revenues of the system. A debt service reserve fund surety policy was purchased in lieu of holding a debt service reserve. The rate covenant requires net revenues in each fiscal year sufficient to pay one hundred and twenty-five percent of the annual debt service requirement on all outstanding bonds of the fund.

The term, interest rate and payments are as follows:

Original Amount Issued	\$	17,900,000
Final Maturity		October 1, 2027
Interest Rate Range		3.00% - 5.00%
Annual Payments Range	\$	<u>1,595,000 - 1,600,000</u>
Amount Outstanding at September 30, 2017	\$	<u>14,195,000</u>

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e. Stormwater System Revenue and Refunding Bonds, Series 2012

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

The term, interest rate and payments are as follows:

Original Amount Issued	\$	5,876,000
Final Maturity		October 1, 2032
Interest Rate		3.04%
Annual Payments	\$	<u>400,000</u>
Amount Outstanding at September 30, 2017	\$	<u>5,010,000</u>

f. Stormwater System Revenue Bonds, Series 2014

On December 18, 2014, the City issued \$6,120,000 Stormwater System Revenue Bonds, Series 2014, pursuant to both Resolution 12-18 and 14-36 adopted by the City Commission of the City of Dunedin. The purpose of incurring the debt was to finance and/or reimburse the costs of design, permitting, acquisition, construction and reconstruction of improvements to the Stormwater System. Together with project proceeds, the amount borrowed included approximately \$132,000 in issuance and financing costs. Principal is paid once a year on October 1, and interest is paid on October 1 and April 1 each year through October 1, 2044.

The term, interest rate and payments are as follows:

Original Amount Issued	\$	6,120,000
Final Maturity		October 1, 2044
Interest Rate		2.00% - 4.00%
Annual Payments	\$	<u>340,000</u>
Amount Outstanding at September 30, 2017	\$	<u>5,890,000</u>

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g. Pledged Revenue Disclosures

The City has pledged a portion of future non ad valorem revenues for the repayment of the Spring Training Facility and the Fire Station Notes. Future State and County revenues were also pledged for the repayment of the Spring Training Facility. For the current year, principal and interest paid for both Notes were \$519,709. Legally available non ad valorem revenues were \$4,529,744 and payments from the State totaled \$500,004. There were no payments from the County.

The City has pledged a portion of future half cent sales tax revenue to repay the Community Center Refunding Bonds. Principal and interest payments of \$663,876 were paid in the current year and half cent sales tax revenues were \$2,256,442.

The City has pledged the net revenues of the water/sewer and stormwater utility systems to repay the Water and Sewer System Refunding Revenue Bonds, Series 2012. Principal and interest payments paid for the current year and net revenue for the water/sewer utility were \$1,463,056 and \$3,472,823 respectively. Principal and interest payments paid for the current year and net revenue for the stormwater utility were \$120,406 and \$1,653,279 respectively.

The City has pledged the gross revenues of the stormwater utility system to repay the Stormwater System Revenue and Refunding Bonds, Series 2012 and the Stormwater System Revenue Bonds, Series 2014. The current year principal and interest paid for these stormwater bonds were \$738,148 and total gross revenues were \$3,578,404.

h. Debt Service Requirements

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

Year	<u>Governmental Activities</u>		<u>Business-type Activities</u>		Total All Funds
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2018	\$ 1,158,866	\$ 159,645	\$ 1,564,594	\$ 893,289	\$ 3,776,394
2019	1,184,877	138,215	1,618,793	837,994	3,779,879
2020	1,200,012	116,393	1,679,028	779,937	3,775,370
2021	1,051,858	94,630	1,734,297	719,050	3,599,835
2022	699,000	77,046	1,649,000	656,007	3,081,053
2023-2027	3,050,000	165,945	9,295,000	2,237,582	14,748,527
2028-2032	203,000	5,876	4,256,000	977,843	5,442,719
2033-2037	-	-	1,528,000	555,363	2,083,363
2038-2042	-	-	1,375,000	311,719	1,686,719
2043-2047	-	-	955,000	54,657	1,009,657
Total	\$ 8,547,613	\$ 757,750	\$ 25,654,712	\$ 8,023,441	\$ 42,983,516

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3. Changes in Long-Term Liabilities

Long-term liability activities for the year ended September 30, 2017, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and notes payable	\$ 9,057,170	\$ -	\$ (1,013,050)	\$ 8,044,120	\$ 1,035,992
Capital leases	624,420	-	(120,927)	503,493	122,874
Compensated absences	1,669,560	1,411,013	(1,331,119)	1,749,454	16,814
OPEB liability	364,390	532,132	-	896,522	-
Claims	568,810	535,444	(134,380)	969,874	240,173
Governmental activity long-term liabilities	<u>\$ 12,284,350</u>	<u>\$ 2,478,589</u>	<u>\$ (2,599,476)</u>	<u>\$ 12,163,463</u>	<u>\$ 1,415,853</u>
Business-Type Activities:					
Bonds and notes payable	\$ 26,486,000	\$ -	\$ (1,391,000)	\$ 25,095,000	\$ 1,428,000
Deferred amounts for:					
unamortized premiums	1,040,883	-	(88,729)	952,154	88,729
Total revenue bonds	27,526,883	-	(1,479,729)	26,047,154	1,516,729
Capital leases	694,142	-	(134,430)	559,712	136,594
Compensated absences	946,995	625,742	(617,639)	955,098	22,054
OPEB liability	191,836	293,672	-	485,508	-
Business-type activity long-term liabilities	<u>\$ 29,359,856</u>	<u>\$ 919,414</u>	<u>\$ (2,231,798)</u>	<u>\$ 28,047,472</u>	<u>\$ 1,675,377</u>

Internal service funds predominately serve governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$211,233 and \$36,108 of internal service funds' compensated absences and OPEB liability, respectively, are included in the above amounts. The General Fund has historically been used to liquidate the net pension obligation or increase the net pension asset. Conversely, the OPEB liability has been liquidated by all of the City's funds in the form of health insurance premiums paid. The amount paid by each fund is derived from the number of employees in each fund.

NOTE V – OTHER INFORMATION

A. PENSION

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

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

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

Florida Retirement System (FRS)

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

The City of Dunedin contributes to the FRS for the benefit of these employees. This retirement system is administered by the Florida Department of Management Services, Division of Retirement.

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

Benefits are computed on the basis of age, average final compensation, and service credit. Regular class employees who retire at or after age 65 with 8 years of credited service (age 62 with 6 years of service if enrolled prior to July 1, 2011) regardless of age are entitled to a retirement benefit payable monthly for life equal to 1.60% to 1.68% (depending on their service class) of their average final compensation for each year of credited service. Final average compensation is the employee's average of the five highest years of salary earned during credited service.

Vested employees with less than 33 years of service (30 years of service if enrolled prior to July 1, 2011), may retire before normal retirement age and receive benefits that are reduced 5% for each year prior to normal retirement age or date.

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

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

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

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

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

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. The FRS requires a 3% contribution for members effective July 1, 2011. Governmental employers are required to make contributions based on statewide rates. The FRS establishes contributions based on the state fiscal year, which begins July 1st. For the period of October 1, 2016 to June 30, 2017, the contribution rates, by job class, were as follows: regular employees 7.52%, senior management 21.77%, and DROP participants 12.99%. The City's contribution includes .06% for an administrative and educational fee. For the period of July 1, 2017 to September 30, 2017, the contribution rates, by job class, were as follows: regular employees 7.92%, senior management 22.71%, and DROP participants 13.26%. The City's contribution includes .06% for an administrative and educational fee. FRS also provides disability and survivors' benefits. Benefits are established by Florida State Statute. The contribution requirements of employers are established and may be amended by the Division of Retirement.

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The City's contributions to the FRS Pension Plan (not including the 1.66 percent HIS Program Contributions or employee contributions) totaled \$231,022 for fiscal year ending September 30, 2017. Employee contributions totaled \$72,467 for the same period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2017 the City reported a liability of \$2,673,809 for its proportionate share of the FRS Pension Plan net pension liability. The City's proportionate share of the total FRS net pension plan liability was .009039450%.

For the year ended September 30, 2017, the City recognized pension expense of \$179,767 for the FRS Pension Plan. At September 30, 2017 the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 245,391	\$ (14,812)
Changes of assumptions	898,588	-
Net difference between projected and actual earnings	-	(66,264)
Changes in City proportion	116,194	(623,909)
Subtotal	1,260,173	(704,985)
City contributions subsequent to the measurement date	62,099	-
Total	<u>\$ 1,322,272</u>	<u>\$ (704,985)</u>

The deferred outflows of resources related to pensions totaling \$62,099 resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended September 30, 2018. Other amounts reported for the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

Year ended September 30:	
2018	\$ 39,555
2019	269,570
2020	158,650
2021	(81,864)
2022	74,885
Thereafter*	94,392
	<u>\$ 555,188</u>

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

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

The actuarial assumptions that determined the total pension liability of the FRS Pension Plan as of June 30, 2017, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Valuation Date	July 1, 2017
Measurement date	June 30, 2017
Discount rate	7.10%
Investment rate of return	7.10%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with projection scale BB
Actuarial cost method	Individual Entry Age

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in funding valuations of the defined pension plan pursuant to section 216.136 (10), Florida Statutes. The following changes in actuarial assumptions occurred in 2017:

- The discount rate and long-term expected rate of return were both reduced by 0.50 percent from 7.60 percent to 7.10 percent and the active member mortality assumption was updated.

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

Long-Term Expected Rate of Return – To develop an analytical basis for the selection of the long-term assumption for the FRS Pension Plan, the 2017 FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by multiple contracted capital market assumptions teams. The table below shows resulting assumptions for each of the asset classes in which the plan was invested based on the long-term target asset allocation. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on

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

Asset Class	Target Allocation	Long-Term Arithmetic Expected Real Rate of Return
Cash	1.0%	3.0%
Fixed Income	18.0%	4.5%
Global Equity	53.0%	7.8%
Real Estate	10.0%	6.6%
Private Equity	6.0%	11.5%
Strategic Investments	12.0%	6.1%
Total	100%	

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 7.10 percent. Also presented is what the City's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease 6.10%	Current Discount Rate 7.10%	1% Increase 8.10%
City's proportionate share of the			
FRS Pension Plan net pension liability	\$ 4,839,432	\$ 2,673,809	\$ 875,845

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

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

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

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

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

For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. Terms of the benefits provided by the Plan may be amended only by the State Legislature with a change in the Statutes governing the Plan.

Contributions – The HIS Pension Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. There are no employee contributions required for the HIS Pension Plan. HIS Pension Plan contributions are deposited in a separate trust fund from which HIS payments are authorized.

The City's contributions to the HIS Pension Plan totaled \$50,782 for the fiscal year ended September 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2017 the City reported a liability of \$1,035,980 for its proportionate share of the HIS Pension Plan net pension liability. The City's proportionate share of the total HIS net pension plan liability was .009688879%.

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For the year ended September 30, 2017, the City recognized pension expense of \$29,664 for the HIS Pension Plan. At September 30, 2017 the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ (2,157)
Changes of assumptions	145,623	(89,582)
Net difference between projected and actual earnings	575	-
Changes in City proportion	-	(335,675)
Subtotal	<u>146,198</u>	<u>(427,414)</u>
City contributions subsequent to the measurement date	13,170	-
Total	<u><u>\$ 159,368</u></u>	<u><u>\$ (427,414)</u></u>

The deferred outflows of resources related to pensions totaling \$51,276 resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended September 20, 2018. Other amounts reported for the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

Year ended September 30:	
2018	\$ 54,428
2019	54,537
2020	54,589
2021	48,552
2022	34,560
Thereafter*	<u>34,550</u>
	<u><u>\$ 281,216</u></u>

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

Actuarial Assumptions – Actuarial valuations for the HIS Program are conducted biennially. The July 1, 2016, HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for the June 30, 2017, financial reporting exhibits shown on the following page. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB Measurement Date using standard actuarial roll forward procedures. The discount rates used at the two liability measurement dates differ due to changes in the applicable municipal bond index between dates.

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The actuarial assumptions that determined the total pension liability of the HIS Pension Plan as of June 30, 2017, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Valuation Date	July 1, 2016
Measurement date	June 30, 2017
Discount rate	3.58%
Investment rate of return	N/A
Bond Buyer General 20-Bond Municipal Bond	3.58%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with projection scale BB
Actuarial cost method	Individual Entry Age

Discount Rate – In general the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Pension Plan is essentially funded on a pay as you go basis, the depletion date is considered to be immediate, and the single rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate increased by .73% from 2.85% at June 30, 2016 to 3.58% at June 30, 2017 due to changes in the applicable municipal bond index.

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

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.58 percent. Also presented is what the City’s proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
City's proportionate share of the HIS Pension Plan net pension liability	\$ 1,182,190	\$ 1,035,980	\$ 914,195

2. Firefighters' Retirement Fund

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

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

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

Plan Membership in the Plan as of October 1, 2015:

Group	Number of Employees
Inactive plan members or beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	50
Total	95

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

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

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

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

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

The City's Firefighters' Pension Plan's net pension liability (asset) recorded in the September 30, 2017 financial statements was measured as of September 30, 2016 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

The City's firefighters' net pension liability at September 30, 2017 will agree to the Change in Net Pension Liability (Asset) schedule that is presented on the following page. The City's firefighters' pension plan's fiduciary net position used in the calculation is dated as of the measurement date of September 30, 2016 and will agree to the Pension Plan's financial statements as of September 30, 2016.

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Actuarial Assumptions – The total pension liability (asset) was determined by an actuarial valuation as of October 1, 2015 using the following actuarial assumptions:

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

Mortality Rate Healthy Lives:

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

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

Mortality Rate Disabled Lives:

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

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

The inflation assumption was lowered .50% from 3.00% to 2.50%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included the pension plan’s target asset allocation as of September 30, 2016, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	55%	7.50%
International Equity	10%	8.00%
Domestic Fixed Income	25%	2.50%
Real Estate	10%	4.50%
Total	100%	

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Changes in Net Pension Liability (Asset)

	Firefighters' Plan		
	Increase (Decrease)		
	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at September 30, 2015	\$ 24,357,446	\$ 23,742,276	\$ 615,170
Changes for the year:			
Service cost	818,555	-	818,555
Interest	1,946,348	-	1,946,348
Share Plan Allocation	2,432	-	2,432
Benefit changes	495,699	-	495,699
Difference between actual & expected experience	(836,436)	-	(836,436)
Changes in assumptions	201,521	-	201,521
Contributions - Employer	-	442,686	(442,686)
Contributions - Employer (through state)	-	286,293	(286,293)
Contributions - Employee	-	186,769	(186,769)
Contributions - Buy Back	73,537	73,537	-
Net investment income	-	1,834,887	(1,834,887)
Benefit Payments, Including Refunds of Employee Contributions	(1,052,549)	(1,052,549)	-
Administrative expense	-	(69,374)	69,374
Difference between projected and actual earnings on Pension Plan investments	-	(158,624)	158,624
Net changes	1,649,107	1,543,625	105,482
Balance at September 30, 2016	\$ 26,006,553	\$ 25,285,901	\$ 720,652

Discount Rate – The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the City’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of Net Pension Liability to Changes in the Discount Rate – The following table illustrates the impact of interest rate sensitivity on the net pension liability (asset) as of September 30, 2017.

	1% Decrease <u>6.50%</u>	Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
City's net pension liability (asset)	\$ 3,751,030	\$ 720,652	\$ (1,820,279)

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

For the year ended September 30, 2017, the City will recognize a pension expense of \$1,584,028. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 797,689
Changes of Assumptions	161,216	-
Net difference between projected and actual earnings on Pension Plan investments	<u>1,395,125</u>	<u>-</u>
	1,556,341	797,689
Employer and state contributions subsequent to the measurement date	<u>774,705</u>	<u>-</u>
Total	<u><u>\$ 2,331,046</u></u>	<u><u>\$ 797,689</u></u>

The deferred outflows of resources related to the City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net position liability (asset) for the year ended September 30, 2018. Deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2018	\$ 273,277
2019	273,277
2020	307,356
2021	<u>(95,258)</u>
	<u><u>\$ 758,652</u></u>

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

	Net Pension Liability	Deferred Outflow of Resources	Deferred Inflow of Resources
FRS	\$ 2,673,809	\$ 1,322,272	\$ 704,985
HIS	1,035,980	159,368	427,414
Firefighters'	720,652	2,369,204	865,847
	<u>\$ 4,430,441</u>	<u>\$ 3,850,844</u>	<u>\$ 1,998,246</u>

3. Defined Contribution Plan

Beginning January 1, 1996, the City began providing retirement benefits for all of its full-time employees not covered under the Florida Retirement System or the Municipal Firefighters' Pension Trust Fund through a non-contributory defined contribution plan administered by Empower Retirement under their prototype Profit-Sharing Plan and Trust Agreement. At September 30, 2017, there were 241 Plan members in the defined contribution plan. Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate after one year of employment. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after six years of continuous service.

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

The City's total payroll in fiscal year ended September 30, 2017, was \$18,389,028. The City's contributions were calculated using the participants' salary amount of \$10,834,689. The City's contributions to the Plan for the years ended September 30, 2017, 2016, and 2015 were \$976,255, \$950,784, and \$851,601, respectively.

B. SELF INSURANCE PROGRAM

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

In 2009, the City established a Self-Insurance Fund which is an Internal Service Fund to account for and finance its uninsured risk of loss. The City utilizes this fund to self-insure the first \$250,000 of property damage per occurrence (except wind, hail, and named storms). Other deductibles include 5% for Named Storm, subject to a minimum of \$500,000; \$250,000 for all other Wind, \$100,000 for Flood damage, and \$350,000 of any employee work injuries. 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

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are utilized. All claims for general liability, automobile liability, and public officials and 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 exceeded the overall program premiums since the plan's inception.

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

The claims liability of \$790,383, reported in the Fund at September 30, 2017, is based on information identified prior to the issuance of the financial statements, and indicates that a liability has been incurred as of the date of the financial statements and that the amount of the loss can be reasonably estimated. These liabilities, including IBNR (incurred but not reported claims), are based on the estimated ultimate cost of settling the claims (excluding the effects of inflation and other societal and economic factors), using past experience adjusted for current trends and any other factors that would modify past experiences. Claims liabilities also include specific incremental claim adjustment expenses. Changes in the Fund's claims liability amount during the year ended September 30, 2017, are as follows:

	Workers Compensation	Property and Liability	Total
Claims reserve, September 30, 2015	\$ 325,294	\$ 90,021	\$ 415,315
Plus: Incurred claims and reserve adjustments	199,462	228,154	427,616
Less: Paid claims and reserve adjustments	<u>(250,446)</u>	<u>(173,796)</u>	<u>(424,242)</u>
Claims reserve, September 30, 2016	274,310	144,379	418,689
Plus: Incurred claims and reserve adjustments	728,169	408,525	1,136,694
Less: Paid claims and reserve adjustments	<u>(480,425)</u>	<u>(284,575)</u>	<u>(765,000)</u>
Claims reserve, September 30, 2017	<u>\$ 522,054</u>	<u>\$ 268,329</u>	<u>\$ 790,383</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 \$110,000 per individual with an annual aggregate maximum benefit of \$1,000,000. No claims have exceeded the annual aggregate maximum since the Plan's inception.

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Changes in the Fund’s claims liability amount during the year ended September 30, 2017, are as follows:

	Health Benefit Plan
Claims reserve, October 1, 2015	\$ 116,624
Plus: Incurred claims and reserve adjustments	2,677,621
Less: Paid claims and reserve adjustments	<u>(2,644,124)</u>
Claims reserve, September 30, 2016	150,121
Plus: Incurred claims and reserve adjustments	2,749,637
Less: Paid claims and reserve adjustments	<u>(2,720,267)</u>
Claims reserve, September 30, 2017	<u><u>\$ 179,491</u></u>

C. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

Plan Description and Funding Policy

Employees who retire from the City of Dunedin and their dependents are eligible to continue to participate in the City's health insurance programs at the “blended” employee group rate which is determined annually by the City and approved by the City Commission. Retirees have 31 days to elect to enroll in the City’s health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of the latest actuarial valuation date, a total of 320 active employees and 9 retired, inactive employees were participating in the City’s health program. The City provides no funding for any portion of the premiums after retirement; however, the City recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

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Total OPEB Liability

The measurement date for the City’s OPEB liability is September 30, 2017, the same as the reporting date. The measurement period for the OPEB cost was October 1, 2016 to September 30, 2017. The components of the City’s OPEB liability at September 30, 2017, are as follows:

Total OPEB liability	\$ 1,382,030
OPEB Plan fiduciary net position	-
City's net OPEB liability	<u>\$ 1,382,030</u>
 OPEB Plan fiduciary net position as a percentage of total OPEB liability	 <u>0.00%</u>

Actuarial Assumptions - The total OPEB liability at September 30, 2017 was based on the actuarial valuation for the period October 1, 2016 to September 30, 2017. Significant methods and assumptions used for this valuation are as follows:

Inflation Rate	2.60%
Discount Rate	3.50%
Healthcare cost trend rate	5.00%

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

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

Discount Rate – The discount rate used to measure the total OPEB liability at September 30, 2017 was 3.50%. The discount rate used to measure the total liability at September 30, 2016 was 3.10%. Because the City’s OPEB costs are funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total OPEB liability. The Fidelity 20-Year Go Municipal Bond Index rates were applied for the applicable time periods.

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Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at September 30, 2016	\$ 1,289,826
<i>Changes for the Year:</i>	
Service cost	81,305
Interest	38,882
Changes in assumptions	37,732
Differences between expected and actual experience	5,975
Benefit payments	<u>(71,690)</u>
Net Changes	<u>92,204</u>
Balances at September 30, 2017	<u>\$ 1,382,030</u>

Sensitivity of the total OPEB Liability to Changes in the Discount Rate – The following table represents the total OPEB liability, calculated using the discount rate of 3.50%, as well as what the City’s total liability would be if it were calculated using a discount rate that is one percentage-point lower (2.50%) or one percentage-point higher (4.50%) than the current discount rate:

	1% Decrease <u>2.50%</u>	Current Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Total OPEB Liability	\$ 1,493,727	\$ 1,382,030	\$ 1,275,942

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

	1% Decrease <u>4.0%</u>	Current Healthcare Cost Trend Rate <u>5.0%</u>	1% Increase <u>6.0%</u>
Total OPEB Liability	\$ 1,218,675	\$ 1,382,030	\$ 1,575,245

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OPEB Expense, Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB –
 For the year ended September 30, 2017 the City recognized OPEB expense of \$125,043. At September 30, 2017, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 5,311	\$ -
Changes of assumptions	33,540	-
Total	<u>\$ 38,851</u>	<u>\$ -</u>

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

Year ended September 30:	
2018	\$ 4,856
2019	4,856
2020	4,856
2021	4,856
2022	4,856
Thereafter*	<u>14,571</u>
	<u>\$ 38,851</u>

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

D. CONTINGENCIES AND COMMITMENTS

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

E. FEDERAL AND STATE GRANTS

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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE VI – FUND BALANCE REPORTING

Governmental fund balances reported on the fund financial statements at September 30, 2017, include the following:

	General Fund	One Cent Sales Tax Fund	Community Redevelopment Agency	Other Governmental Funds	Total
Nonspendable:					
Inventory	\$ 4,075	\$ -	\$ -	\$ -	\$ 4,075
Prepaid	-	-	-	-	-
Deposits	206,100	-	1,300	500	207,900
Restricted:					
Public Safety	59,158	-	-	-	59,158
Windlasses/DYSA	3,451	-	-	-	3,451
Adopt-a-Tree	-	-	-	-	-
Training - Building Department	19,745	-	-	-	19,745
Bequests - Library	114,001	-	-	-	114,001
Bequests - Other	3,075	-	-	-	3,075
Housing	69,197	-	-	-	69,197
Stadium	-	-	-	241,216	241,216
Impact Fees	-	-	-	-	-
Building Code	-	-	-	1,214,391	1,214,391
County Gas Tax	-	-	-	1,208,367	1,208,367
One Cent Sales Tax	-	8,454,489	-	-	8,454,489
Community Redevelopment	-	-	334,317	-	334,317
Committed:					
G. Koutsourais	30,546	-	-	-	30,546
Cemetery	245,799	-	-	-	245,799
Tree Bank	400,492	-	-	-	400,492
Assigned:					
Parking Bank	83,000	-	-	-	83,000
Subsequent year's operations	427,219	-	-	-	427,219
Unassigned	4,663,984	-	-	(750,108)	3,913,876
Total	<u>\$ 6,329,842</u>	<u>\$ 8,454,489</u>	<u>\$ 335,617</u>	<u>\$ 1,914,366</u>	<u>\$ 17,034,314</u>

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

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

Commitments may be modified or removed only by the City Commissioners taking the same formal action that imposed the constraint originally.

Included in committed fund balance are Cemetery revenues from the sale of burial spaces as established by Resolution 94-20 which was amended by Resolution 08-27, contributions to the G. Koutsourais fund to provide recreational activities for Dunedin’s youth (Resolution 93-58), and fees collected and held in the Tree Bank for the purchase of trees to be used on city owned property. The Tree Bank was established as part of the city’s Code of Ordinances (Section 105-43.18).

Assigned Fund Balance – Includes spendable fund balance amounts established by an official (either the City Manager or Finance Director) authorized by the City Commission that are intended to be used for specific purposes that are neither considered restricted nor committed. Such authorization was established via Resolution 12-09.

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

<u>Encumbrances</u>	
Major governmental funds:	
General Fund	\$ 346,212
One Cent Sales Tax Fund	-
Community Redevelopment	<u>21,118</u>
Total Major funds	367,330
Other Governmental Funds	<u>377,549</u>
Total Encumbrances	<u><u>\$ 744,879</u></u>
<u>Subsequent Year's Budget</u>	
General Fund	<u><u>\$ 81,007</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 fund balance guideline does not address prioritization among fund balance categories. However, it is assumed that restricted funds will be spent first unless there are legal documents that prohibit doing this, such as grant agreements. For unrestricted fund balance amounts, committed would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

CITY OF DUNEDIN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE VII – FUND BALANCE DEFICITS

The following fund had a deficit fund balance at September 30, 2017:

<u>Fund Name</u>	<u>Deficit Amounts</u>
Impact Fee Fund	\$ 780,108

The deficit in the Impact Fee Fund resulted from a due to/due from between the One Cent Sales Tax Fund and the Impact Fee Fund in the amount of \$928,374 for the acquisition of parkland. The deficit in the Impact Fee Fund will be reversed with future receipts from park impact fees.

NOTE VIII – RESTATEMENT OF PRIOR YEAR BALANCES

The implementation of GASB Statement No. 75 replaced the requirements of Statements No. 45, as amended, and No. 57. This resulted in Governmental Activities removing the prior year other post-employment benefits (OPEB) liability of \$364,930 and restating it as \$836,710. Business-type activities removed \$191,836 of prior year OPEB liability and restated it as \$453,116.

The cumulative effect of the adoption on each of the enterprise funds' beginning net position is as follows; Solid Waste was reduced by \$46,344, Water/Sewer Utility was reduced by \$175,710, Stormwater was reduced by \$35,903, and Marina was reduced by \$3,323.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF DUNEDIN, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2017**

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

Florida Retirement System (FRS) Defined Benefit Pension Plan

<u>Fiscal Year</u>	<u>City's Proportion of the Net Pension Liability</u>	<u>City's Proportionate Share of the Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total Liability</u>
2017	0.009039450%	\$ 2,673,809	\$ 3,025,094	88.39%	83.89%
2016	0.010615074%	2,680,315	3,407,136	78.67%	84.88%
2015	0.012671046%	1,636,636	3,585,918	45.64%	92.00%

Note:

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

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

<u>Fiscal Year</u>	<u>City's Proportion of the Net Pension Liability</u>	<u>City's Proportionate Share of the Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total Liability</u>
2017	0.009688790%	\$ 1,035,980	\$ 3,025,094	34.25%	1.64%
2016	0.010699153%	1,246,942	3,407,136	36.60%	0.97%
2015	0.012305445%	1,254,962	3,585,918	35.00%	0.50%

Note:

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

**CITY OF DUNEDIN, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2017**

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

Florida Retirement System (FRS) Defined Benefit Pension Plan

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

Note:

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

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

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

Note:

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

**CITY OF DUNEDIN, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2017**

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

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

Notes to Schedule of Changes in the Net Pension:

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

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

CITY OF DUNEDIN, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2017

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

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

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

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

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

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

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

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

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

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

**CITY OF DUNEDIN, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2017**

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

Fiscal Year	Contributions Related to the		Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actuarially Determined Contribution			
2017	\$ 733,401	\$ 733,401	\$ -	\$ 3,284,952	22.33%
2016	725,736	725,736	-	3,395,812	21.37%
2015	784,433	784,433	-	3,288,615	23.85%
2014	793,364	793,364	-	3,211,327	24.71%
2013	832,898	832,898	-	3,138,275	26.54%
2012	825,820	825,820	-	3,110,720	26.55%
2011	816,780	816,780	-	3,287,502	24.85%
2010	719,844	719,844	-	3,395,469	21.20%
2009	704,462	704,462	-	3,331,281	21.15%
2008	642,825	642,825	-	2,981,145	21.56%

Notes to Schedule of City Contributions:

Valuation date: October 1, 2015*

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

Actuarial Impact Statement: May 3, 2016

Methods and assumptions used to determine the actuarially determined contribution:

Funding method: Entry Age Normal Actuarial Cost Method

Amortization method: Level percentage of pay, closed

Amortization period: 30 years

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

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

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

**CITY OF DUNEDIN, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2017**

Retirement Rates:	Years After 1st Eligibility for Normal <u>Retirement</u>	Probability of Normal <u>Retirement</u>
	0	35%
	1-4	25%
	5+	100%

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

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

Salary Increase Assumptions Used

Years of Service	% Increase in Salary	Years of Service	% Increase in Salary	Years of Service	% Increase in Salary
0	14%	5	9%	10	6.5%
1	13%	6	8.5%	11	6%
2	12%	7	8%	12	5.5%
3	11%	8	7.5%	13	5%
4	10%	9	7%	14+	4%

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

	2017
Total OPEB Liability	
Service cost	\$ 81,305
Interest	38,882
Changes in assumptions	37,732
Differences between expected and actual experience	5,975
Benefit payments	(71,690)
Net Change in Total OPEB liability	92,204
Total OPEB liability - beginning	1,289,826
Total OPEB liability - ending	\$ 1,382,030
Covered employee payroll	\$ 16,655,015
Total OPEB liability as a percentage of covered employee payroll	8.30%

Notes to Schedule:

Plan Assets:

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

Other Items:

- This information is required for ten years. However, only one year of information is available.

**COMBINING AND OTHER SUPPLEMENTARY
INFORMATION SCHEDULES**

City of Dunedin
General Fund
Schedule of Expenditure Detail - Budget and Actual
For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
GENERAL GOVERNMENT				
City commission				
Personnel services	\$ 110,700	\$ 110,700	\$ 97,137	\$ 13,563
Supplies and services	119,400	119,400	94,662	24,738
Aids to private organizations	137,600	137,600	132,316	5,284
City commission total	367,700	367,700	324,115	43,585
City manager				
Personnel services	593,200	552,630	408,496	144,134
Supplies and services	65,800	98,400	100,247	(1,847)
Capital outlay	-	2,420	2,420	-
City manager total	659,000	653,450	511,163	142,287
Legal				
Supplies and services	210,300	295,300	280,994	14,306
Legal total	210,300	295,300	280,994	14,306
City clerk				
Personnel services	318,900	318,900	313,094	5,806
Supplies and services	106,600	106,600	103,973	2,627
City clerk total	425,500	425,500	417,067	8,433
Finance				
Personnel services	760,100	760,100	745,158	14,942
Supplies and services	176,700	177,790	143,325	34,465
Finance total	936,800	937,890	888,483	49,407
Administration				
Personnel services	392,700	392,700	391,832	868
Supplies and services	620,900	627,070	612,008	15,062
Capital outlay	-	8,035	9,911	(1,876)
Administration total	1,013,600	1,027,805	1,013,751	14,054
Planning & development				
Personnel services	544,700	544,700	542,354	2,346
Supplies and services	355,900	463,987	340,495	123,492
Capital outlay	-	57,874	57,863	11
Aids to private organizations	52,500	55,700	28,114	27,586
Planning and development total	953,100	1,122,261	968,826	153,435
Non-Departmental				
Supplies and services	-	-	134,984	(134,984)
Non-departmental total	-	-	134,984	(134,984)
PUBLIC SAFETY				
Law enforcement				
Personnel services	3,600	3,600	3,600	-
Supplies and services	4,224,500	4,224,500	4,171,289	53,211
Aids to private organizations	10,000	10,000	10,000	-
Law enforcement total	4,238,100	4,238,100	4,184,889	53,211
Fire				
Personnel services	4,353,200	4,466,104	4,395,258	70,846
Supplies and services	980,800	1,002,990	972,522	30,468
Capital outlay	60,000	67,717	53,520	14,197
Fire total	5,394,000	5,536,811	5,421,300	115,511

City of Dunedin
General Fund
Schedule of Expenditure Detail - Budget and Actual (Continued)
For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
EMS				
Personnel services	1,010,900	1,010,900	1,157,454	(146,554)
Supplies and services	209,200	209,200	181,309	27,891
EMS total	<u>1,220,100</u>	<u>1,220,100</u>	<u>1,338,763</u>	<u>(118,663)</u>
TRANSPORTATION				
Streets / Traffic				
Personnel services	520,500	520,500	563,152	(42,652)
Supplies and services	1,125,700	1,127,420	1,061,730	65,690
Streets / traffic total	<u>1,646,200</u>	<u>1,647,920</u>	<u>1,624,882</u>	<u>23,038</u>
CULTURE AND RECREATION				
Library				
Personnel services	1,512,000	1,512,000	1,483,750	28,250
Supplies and services	673,300	673,300	762,716	(89,416)
Capital outlay	209,000	209,285	-	209,285
Library total	<u>2,394,300</u>	<u>2,394,585</u>	<u>2,246,466</u>	<u>148,119</u>
Parks and Recreation administration				
Personnel services	505,800	505,800	516,082	(10,282)
Supplies and services	62,200	62,200	46,991	15,209
Parks and Recreation administration	<u>568,000</u>	<u>568,000</u>	<u>563,073</u>	<u>4,927</u>
Recreation				
Personnel services	1,810,400	1,677,500	1,786,214	(108,714)
Supplies and services	1,641,600	1,834,858	1,548,645	286,213
Capital outlay	46,700	40,396	33,548	6,848
Recreation total	<u>3,498,700</u>	<u>3,552,754</u>	<u>3,368,407</u>	<u>184,347</u>
Parks				
Personnel services	1,547,100	1,547,100	1,451,044	96,056
Supplies and services	1,077,200	1,107,304	1,075,072	32,232
Capital outlay	152,700	209,979	73,808	136,171
Aids to private organizations	10,000	10,000	7,656	2,344
Parks total	<u>2,787,000</u>	<u>2,874,383</u>	<u>2,607,580</u>	<u>266,803</u>
Dunedin Historical Society				
Supplies and services	23,500	23,500	23,500	-
Dunedin Historical Society total	<u>23,500</u>	<u>23,500</u>	<u>23,500</u>	<u>-</u>
Dunedin Fine Arts Center				
Supplies and services	73,900	73,900	80,534	(6,634)
Dunedin Fine Arts Center total	<u>73,900</u>	<u>73,900</u>	<u>80,534</u>	<u>(6,634)</u>
Total expenditures	<u>\$ 26,409,800</u>	<u>\$ 26,959,959</u>	<u>\$ 25,998,777</u>	<u>\$ 961,182</u>

DUNEDIN

Home of Honeymoon Island

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Nonmajor Governmental Funds

Special Revenue Funds

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

Stadium

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

Impact Fees

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

Building Code

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

County Gas Tax

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

City of Dunedin, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2017

	Special Revenue				
	Stadium	Impact Fees	Building Code Fund	County Gas Tax	Special Revenue Total
ASSETS					
Cash and cash equivalents	\$ 257,927	\$ 212,631	\$ 1,313,073	\$ 1,172,257	\$ 2,955,888
Accounts receivable	273	939	2,481	2,844	6,537
Due from other governments	-	-	-	85,586	85,586
Deposits	500	-	-	-	500
Total assets	\$ 258,700	\$ 213,570	\$ 1,315,554	\$ 1,260,687	\$ 3,048,511
LIABILITIES					
Accounts payable	\$ 16,484	\$ -	\$ 85,116	\$ 38,783	\$ 140,383
Contracts payable	-	-	-	13,537	13,537
Accrued salaries payable	-	-	8,482	-	8,482
Deposits payable	500	-	-	-	500
Due to other funds	-	928,374	-	-	928,374
Due to other governments	-	35,304	7,565	-	42,869
Total liabilities	16,984	963,678	101,163	52,320	1,134,145
FUND BALANCES					
Non-spendable balance	500	-	-	-	500
Restricted balance	241,216	-	1,214,391	1,208,367	2,663,974
Unassigned	-	(750,108)	-	-	(750,108)
Total fund balances	241,716	(750,108)	1,214,391	1,208,367	1,914,366
Total liabilities and fund balances	\$ 258,700	\$ 213,570	\$ 1,315,554	\$ 1,260,687	\$ 3,048,511

City of Dunedin, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2017

	Special Revenue				Special Revenue Total
	Stadium	Impact Fees	Building Code Fund	County Gas Tax	
REVENUES					
Intergovernmental revenues	\$ 500,004	\$ -	\$ -	\$ 521,030	\$ 1,021,034
Charges for services	350,677	-	1,909,202	-	2,259,879
Impact fees	-	140,762	-	-	140,762
Investment earnings (loss)	623	2,698	8,007	7,931	19,259
Other revenue	69,742	-	6,042	-	75,784
Total revenues	921,046	143,460	1,923,251	528,961	3,516,718
EXPENDITURES					
Current:					
Public safety	-	-	884,097	-	884,097
Transportation	-	-	-	124,915	124,915
Culture and recreation	524,592	-	-	-	524,592
Capital outlay:					
Public safety	-	-	69,074	-	69,074
Transportation	-	101,300	-	165,419	266,719
Debt service:					
Principal	390,050	-	-	-	390,050
Interest	25,099	-	-	-	25,099
Total expenditures	939,741	101,300	953,171	290,334	2,284,546
Excess of revenues					
Revenues over (under) expenditures	(18,695)	42,160	970,080	238,627	1,232,172
OTHER FINANCING SOURCES (USES)					
Transfers in	167,000	-	244,311	-	411,311
Transfers out	-	(1,098,074)	-	-	(1,098,074)
Total other financing sources (uses)	167,000	(1,098,074)	244,311	-	(686,763)
Net change in fund balances	148,305	(1,055,914)	1,214,391	238,627	545,409
Fund balances - beginning	93,411	305,806	-	969,740	1,368,957
Fund balances - ending	\$ 241,716	\$ (750,108)	\$ 1,214,391	\$ 1,208,367	\$ 1,914,366

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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Grants - state	\$ 500,000	\$ 500,000	\$ 500,004	4
Charges for Services	295,000	321,000	350,677	29,677
Investment earnings	200	200	623	423
Other revenue	58,000	32,000	69,742	37,742
Total revenues	<u>853,200</u>	<u>853,200</u>	<u>921,046</u>	<u>67,846</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	603,400	606,888	524,592	82,296
Debt service:				
Principal	390,100	390,100	390,050	50
Interest	26,000	26,000	25,099	901
Total expenditures	<u>1,019,500</u>	<u>1,022,988</u>	<u>939,741</u>	<u>83,247</u>
Revenues over (under) expenditures	<u>(166,300)</u>	<u>(169,788)</u>	<u>(18,695)</u>	<u>151,093</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	167,000	167,000	167,000	-
Total other financing sources	<u>167,000</u>	<u>167,000</u>	<u>167,000</u>	<u>-</u>
Net change in fund balances	<u>\$ 700</u>	<u>\$ (2,788)</u>	148,305	<u>\$ 151,093</u>
Fund balances - beginning			<u>93,411</u>	
Fund balances - ending			<u>\$ 241,716</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, 2017**

	<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>				
Impact fees	\$ 214,700	\$ 214,700	\$ 140,762	(73,938)
Investment earnings	500	500	2,698	2,198
Total revenues	<u>215,200</u>	<u>215,200</u>	<u>143,460</u>	<u>(71,740)</u>
<u>EXPENDITURES</u>				
Capital outlay:				
Transportation	100,000	101,300	101,300	-
Total expenditures	<u>100,000</u>	<u>101,300</u>	<u>101,300</u>	<u>-</u>
Revenues over (under) expenditures	<u>115,200</u>	<u>113,900</u>	<u>42,160</u>	<u>(71,740)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out		(1,098,074)	(1,098,074)	-
Total other financing sources	<u>-</u>	<u>(1,098,074)</u>	<u>(1,098,074)</u>	<u>-</u>
Net change in fund balances	<u>\$ 115,200</u>	<u>\$ (984,174)</u>	<u>(1,055,914)</u>	<u>\$ (71,740)</u>
Fund balances - beginning			<u>305,806</u>	
Fund balances - ending			<u>\$ (750,108)</u>	

City of Dunedin, Florida

Building Code Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2017**

	<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	\$ 1,000,000	\$ 1,276,000	\$ 1,909,202	633,202
Investment earnings	-	-	8,007	8,007
Other miscellaneous revenue	-	-	6,042	6,042
Total revenues	<u>1,000,000</u>	<u>1,276,000</u>	<u>1,923,251</u>	<u>647,251</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	925,300	925,300	884,097	41,203
Capital outlay:				
Public safety	-	372,486	69,074	303,412
Total expenditures	<u>925,300</u>	<u>1,297,786</u>	<u>953,171</u>	<u>344,615</u>
Revenues over (under) expenditures	<u>74,700</u>	<u>(21,786)</u>	<u>970,080</u>	<u>991,866</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>164,000</u>	<u>244,311</u>	<u>244,311</u>	-
Total other financing sources	<u>164,000</u>	<u>244,311</u>	<u>244,311</u>	-
Net change in fund balances	<u>\$ 238,700</u>	<u>\$ 222,525</u>	1,214,391	<u>\$ 991,866</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ 1,214,391</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, 2017

	<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>				
Local option gas tax	\$ 484,000	\$ 484,000	\$ 521,030	37,030
Investment earnings	2,500	2,500	7,931	5,431
Total revenues	<u>486,500</u>	<u>486,500</u>	<u>528,961</u>	<u>42,461</u>
<u>EXPENDITURES</u>				
Current:				
Transportation	176,300	343,313	124,915	218,398
Capital outlay:				
Transportation	296,000	810,542	165,419	645,123
Total expenditures	<u>472,300</u>	<u>1,153,855</u>	<u>290,334</u>	<u>863,521</u>
Revenues over (under) expenditures	<u>14,200</u>	<u>(667,355)</u>	<u>238,627</u>	<u>905,982</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 14,200</u>	<u>\$ (667,355)</u>	238,627	<u>\$ 905,982</u>
Fund balances - beginning			<u>969,740</u>	
Fund balances - ending			<u>\$ 1,208,367</u>	

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Home of Honeymoon Island

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Internal Service Funds

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

Vehicle Maintenance

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

Building Maintenance

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

Self – Insurance

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

Information Technology

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

City of Dunedin
Internal Service Funds
Combining Statement of Net Position
September 30, 2017

	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,411,563	\$ 1,171,381	\$ 4,968,216	\$ 899,843	\$ 11,451,003
Accounts receivable	-	-	66,528	-	66,528
Inventories	94,937	-	-	-	94,937
Prepaid items	-	-	48,374	-	48,374
Interest receivable	11,177	3,479	13,108	1,646	29,410
Deposits	-	-	111,026	-	111,026
Total current assets	<u>4,517,677</u>	<u>1,174,860</u>	<u>5,207,252</u>	<u>901,489</u>	<u>11,801,278</u>
Noncurrent assets:					
Capital assets:					
Buildings	1,179,463	652,219	-	-	1,831,682
Improvements other than buildings	4,744	-	-	-	4,744
Machinery and equipment	13,362,559	156,181	-	128,692	13,647,432
Construction-in-progress	-	-	-	113,567	113,567
Less: accumulated depreciation	(10,500,052)	(302,359)	-	(43,060)	(10,845,471)
Total capital assets, net of accumulated depreciation	<u>4,046,714</u>	<u>506,041</u>	<u>-</u>	<u>199,199</u>	<u>4,751,954</u>
Total assets	<u>8,564,391</u>	<u>1,680,901</u>	<u>5,207,252</u>	<u>1,100,688</u>	<u>16,553,232</u>
DEFERRED OUTFLOWS					
OPEB Liability	1,045	1,123	117	695	2,980
Total Deferred outflows	<u>1,045</u>	<u>1,123</u>	<u>117</u>	<u>695</u>	<u>2,980</u>
LIABILITIES					
Current liabilities:					
Accounts payable	117,888	46,980	186,745	120,712	472,325
Accrued salaries payable	10,024	10,050	3,375	6,444	29,893
Contracts payable	-	1,525	-	-	1,525
Accrued interest payable	6,080	-	-	-	6,080
Capital leases payable	122,874	-	-	-	122,874
Claims liabilities	-	-	240,173	-	240,173
Total current liabilities	<u>256,866</u>	<u>58,555</u>	<u>430,293</u>	<u>127,156</u>	<u>872,870</u>
Noncurrent liabilities:					
Capital leases payable	380,619	-	-	-	380,619
Compensated absences	100,293	74,437	12,477	46,181	233,388
OPEB liability	37,176	39,941	4,146	24,738	106,001
Claims liabilities	-	-	729,701	-	729,701
Total noncurrent liabilities	<u>518,088</u>	<u>114,378</u>	<u>746,324</u>	<u>70,919</u>	<u>1,449,709</u>
Total liabilities	<u>774,954</u>	<u>172,933</u>	<u>1,176,617</u>	<u>198,075</u>	<u>2,322,579</u>
NET POSITION					
Net investment in capital assets	3,543,221	506,041	-	199,199	4,248,461
Unrestricted	4,247,261	1,003,050	4,030,752	704,109	9,985,172
Total net position	<u>\$ 7,790,482</u>	<u>\$ 1,509,091</u>	<u>\$ 4,030,752</u>	<u>\$ 903,308</u>	<u>\$ 14,233,633</u>

City of Dunedin
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended September 30, 2017

	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 2,690,322	\$ 1,404,400	\$ 5,825,674	\$ 917,900	\$ 10,838,296
Miscellaneous revenue	263	31,336	104,714	-	136,313
Total operating revenues	<u>2,690,585</u>	<u>1,435,736</u>	<u>5,930,388</u>	<u>917,900</u>	<u>10,974,609</u>
Operating expenses:					
Personal services	605,877	634,412	216,172	478,244	1,934,705
Supplies and services	978,787	709,709	5,428,615	267,272	7,384,383
Depreciation	982,761	30,793	-	27,363	1,040,917
Total operating expenses	<u>2,567,425</u>	<u>1,374,914</u>	<u>5,644,787</u>	<u>772,879</u>	<u>10,360,005</u>
Operating income / (loss)	<u>123,160</u>	<u>60,822</u>	<u>285,601</u>	<u>145,021</u>	<u>614,604</u>
Nonoperating revenues (expenses):					
Investment earnings (loss)	30,836	10,188	37,526	5,111	83,661
Interest/amortization expense	(8,593)	-	-	-	(8,593)
Gain (Loss) on disposal of capital assets	71,631	-	-	-	71,631
Total nonoperating revenues (expenses)	<u>93,874</u>	<u>10,188</u>	<u>37,526</u>	<u>5,111</u>	<u>146,699</u>
Income before contributions and transfers	217,034	71,010	323,127	150,132	761,303
Transfers in	<u>148,542</u>	<u>-</u>	<u>-</u>	<u>428,281</u>	<u>576,823</u>
Change in net position	365,576	71,010	323,127	578,413	1,338,126
Net position - beginning as restated	<u>7,424,906</u>	<u>1,438,081</u>	<u>3,707,625</u>	<u>324,895</u>	<u>12,895,507</u>
Net position ending	<u>\$ 7,790,482</u>	<u>\$ 1,509,091</u>	<u>\$ 4,030,752</u>	<u>\$ 903,308</u>	<u>\$ 14,233,633</u>

City of Dunedin
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2017

	Vehicle Maintenance	Facilities Maintenance	Self Insurance	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 2,690,322	\$ 1,404,400	\$ 5,760,585	\$ 917,900	\$ 10,773,207
Payments to suppliers	(904,943)	(717,161)	(5,044,148)	(157,240)	(6,823,492)
Payments to employees	(593,807)	(624,023)	186,093	(471,401)	(1,503,138)
Other operating revenue	263	31,336	104,714	-	136,313
Net cash provided by (used in) operating activities	<u>1,191,835</u>	<u>94,552</u>	<u>1,007,244</u>	<u>289,259</u>	<u>2,582,890</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	148,542	-	-	428,281	576,823
Net cash provided by (used in) noncapital financing activities	<u>148,542</u>	<u>-</u>	<u>-</u>	<u>428,281</u>	<u>576,823</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	71,631	-	-	-	71,631
Purchase of capital assets	(530,055)	(11,804)	-	(143,443)	(685,302)
Principal paid on capital debt	(120,927)	-	-	-	(120,927)
Interest paid on capital debt	(10,053)	-	-	-	(10,053)
Net cash provided by (used in) capital and related financing activities	<u>(589,404)</u>	<u>(11,804)</u>	<u>-</u>	<u>(143,443)</u>	<u>(744,651)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings received	25,860	8,356	30,452	3,959	68,627
Net cash provided by (used in) investing activities	<u>25,860</u>	<u>8,356</u>	<u>30,452</u>	<u>3,959</u>	<u>68,627</u>
Net increase in cash and cash equivalents	776,833	91,104	1,037,696	578,056	2,483,689
Cash and cash equivalents - October 1	3,634,730	1,080,277	3,930,520	321,787	8,967,314
Cash and cash equivalents - September 30	<u>\$ 4,411,563</u>	<u>\$ 1,171,381</u>	<u>\$ 4,968,216</u>	<u>\$ 899,843</u>	<u>\$ 11,451,003</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income / (loss)	\$ 123,160	\$ 60,822	\$ 285,601	\$ 145,021	\$ 614,604
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	982,761	30,793	-	27,363	1,040,917
(Increase) decrease in:					
Accounts receivable	-	-	(65,089)	-	(65,089)
Inventories	(9,745)	-	-	-	(9,745)
Prepaid items	-	-	445,914	-	445,914
Deposits	-	-	(18,858)	-	(18,858)
Deferred outflows	(1,045)	(1,123)	(117)	(695)	(2,980)
Increase (decrease) in:					
Accounts payable	83,589	(7,452)	(42,589)	110,032	143,580
Accrued wages payable	1,600	1,958	804	(106)	4,256
Claims liabilities	-	-	401,064	-	401,064
Compensated absences / OPEB	11,515	9,554	514	7,644	29,227
Total adjustments	<u>1,068,675</u>	<u>33,730</u>	<u>721,643</u>	<u>144,238</u>	<u>1,968,286</u>
Net cash provided by operating activities	<u>\$ 1,191,835</u>	<u>\$ 94,552</u>	<u>\$ 1,007,244</u>	<u>\$ 289,259</u>	<u>\$ 2,582,890</u>

Statistical Section

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time	127
Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax	141
Debt Capacity These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future	147
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place	155
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs	159

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 Position by Component
Last Ten Fiscal Years

(accrual basis of accounting)

	2017	2016	2015	2014
Governmental activities:				
Net investment in capital assets	\$ 62,763,046	\$ 64,339,229	\$ 64,170,000	\$ 64,104,251
Restricted	11,721,407	7,026,213	6,506,661	4,840,593
Unrestricted	8,073,971	10,836,332	9,270,449	7,363,412
Total governmental activities net position	<u>\$ 82,558,424</u>	<u>\$ 82,201,774</u>	<u>\$ 79,947,110</u>	<u>\$ 76,308,256</u>
Business type activities:				
Net investment in capital assets	\$ 30,862,852	\$ 27,018,599	\$ 25,618,520	\$ 33,534,035
Restricted	1,456,178	3,741,836	1,283,476	1,184,262
Unrestricted	25,161,006	23,659,881	28,031,653	21,764,460
Total business type activities net position	<u>\$ 57,480,036</u>	<u>\$ 54,420,316</u>	<u>\$ 54,933,649</u>	<u>\$ 56,482,757</u>
Primary government:				
Net investment in capital assets	\$ 93,625,898	\$ 91,357,828	\$ 89,788,520	\$ 97,638,286
Restricted	13,177,585	10,768,049	7,790,137	6,024,855
Unrestricted	33,234,977	34,496,213	37,302,102	29,127,872
Total primary government net position	<u>\$ 140,038,460</u>	<u>\$ 136,622,090</u>	<u>\$ 134,880,759</u>	<u>\$ 132,791,013</u>

	2013	2012	2011	2010	2009	2008
\$	58,239,411	\$ 56,781,075	\$ 57,690,458	\$ 52,017,214	\$ 49,216,594	\$ 41,859,854
	4,424,603	5,892,014	3,309,277	919,351	666,759	1,492,721
	6,502,111	6,459,724	10,834,009	14,804,273	18,340,972	14,346,049
<u>\$</u>	<u>69,166,125</u>	<u>\$ 69,132,812</u>	<u>\$ 71,833,744</u>	<u>\$ 67,740,838</u>	<u>\$ 68,224,325</u>	<u>\$ 57,698,624</u>
\$	33,405,168	\$ 33,259,017	\$ 35,573,590	\$ 33,375,182	\$ 32,324,908	\$ 31,123,487
	1,146,633	1,015,491	8,719,804	9,734,525	12,119,646	11,491,080
	22,845,536	23,293,206	10,028,817	10,567,261	6,829,020	10,189,363
<u>\$</u>	<u>57,397,337</u>	<u>\$ 57,567,714</u>	<u>\$ 54,322,211</u>	<u>\$ 53,676,968</u>	<u>\$ 51,273,574</u>	<u>\$ 52,803,930</u>
\$	91,644,579	\$ 90,040,092	\$ 93,264,048	\$ 85,392,396	\$ 81,541,502	\$ 72,983,341
	5,571,236	6,907,505	12,029,081	10,653,876	12,786,405	12,983,801
	29,347,647	29,752,930	20,862,826	25,371,534	25,169,992	24,535,412
<u>\$</u>	<u>126,563,462</u>	<u>\$ 126,700,526</u>	<u>\$ 126,155,955</u>	<u>\$ 121,417,806</u>	<u>\$ 119,497,899</u>	<u>\$ 110,502,554</u>

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

(accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011
EXPENSES							
Governmental activities:							
General government	\$ 3,086,600	\$ 3,163,785	\$ 3,902,176	\$ 3,941,552	\$ 3,359,312	\$ 2,428,449	\$ 2,169,100
Public safety	12,863,393	12,016,757	10,316,706	10,476,788	10,361,120	11,296,238	11,514,839
Physical environment	-	-	-	-	-	-	314,305
Transportation	2,301,533	2,234,895	2,112,366	2,135,489	1,999,785	1,897,883	2,248,772
Economic development	750,068	768,565	745,113	488,187	445,629	508,474	384,451
Culture and recreation	11,057,908	11,163,145	10,641,476	10,136,799	10,111,776	9,673,676	9,599,618
Interest on long term debt	182,007	190,979	469,673	424,781	528,625	642,358	920,611
Total government activities expenses	30,241,509	29,538,126	28,187,510	27,603,596	26,806,247	26,447,077	27,151,696
Business type activities:							
Solid waste	4,761,646	4,428,289	4,588,418	5,229,076	5,335,131	4,700,689	4,957,784
Water / sewer utility	17,045,668	16,919,664	16,326,720	15,970,790	15,508,529	16,647,088	17,122,361
Reclaimed water	-	-	-	-	-	-	-
Stormwater utility	3,558,252	3,665,865	3,360,965	3,037,098	2,725,954	2,150,715	1,892,990
Marina	381,384	350,845	369,324	345,892	292,000	458,798	491,495
Golf course	-	-	-	594	30,206	35,254	71,010
Parking	592,086	-	-	-	-	-	-
Total business type activities expenses	26,339,036	25,364,663	24,645,427	24,583,450	23,891,820	23,992,544	24,535,640
Total primary government expenses	\$ 56,580,545	\$ 54,902,789	\$ 52,832,937	\$ 52,187,046	\$ 50,698,067	\$ 50,439,621	\$ 51,687,336
PROGRAM REVENUES							
Governmental activities:							
Charges for services							
General government	\$ 570,903	\$ 528,147	\$ 343,285	\$ 523,230	\$ 486,155	\$ -	\$ -
Public safety	5,477,227	4,242,095	3,635,991	3,227,174	3,394,107	3,358,410	3,008,565
Physical environment	-	-	51,600	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic development	42,050	46,770	-	42,216	89,624	129,946	110,152
Culture and recreation	2,054,132	2,090,589	2,040,989	1,943,283	2,215,859	2,190,448	2,138,344
Operating grants and contributions	607,504	474,084	627,511	511,380	381,213	45,361	137,880
Capital grants and contributions	1,459,227	1,555,222	1,336,528	6,719,504	1,606,456	1,837,921	1,656,723
Total governmental activities program revenues	10,211,043	8,936,907	8,035,904	12,966,787	8,173,414	7,562,086	7,051,664
Business type activities:							
Charges for services							
Solid waste	5,220,755	5,094,407	4,946,096	4,775,203	4,687,484	5,010,962	4,975,022
Water / sewer utility	16,200,581	15,303,808	15,147,998	15,253,874	15,419,636	16,826,489	15,895,494
Reclaimed water	-	-	-	-	-	-	-
Stormwater utility	3,533,250	3,375,543	3,273,122	2,956,426	2,937,216	2,693,752	2,270,391
Marina	532,872	490,601	515,457	556,073	469,253	471,043	473,373
Golf course	-	-	-	-	7,452	(903)	25
Parking	804,959	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	7,113
Capital grants and contributions	300,607	262,397	334,300	1,375,017	137,414	2,114,029	822,883
Total business type activities revenues	26,593,024	24,526,756	24,216,973	24,916,593	23,658,455	27,115,372	24,444,301
Total primary government program revenues	\$ 36,804,067	\$ 33,463,663	\$ 32,252,877	\$ 37,883,380	\$ 31,831,869	\$ 34,677,458	\$ 31,495,965
NET EXPENSE							
Governmental activities	\$ (20,030,466)	\$ (20,601,219)	\$ (20,151,606)	\$ (14,636,809)	\$ (18,632,833)	\$ (18,884,991)	\$ (20,100,032)
Business type activities	253,988	(837,907)	(428,454)	333,143	(233,365)	3,122,828	(91,339)
Total primary government net (expense) / revenue	\$ (19,776,478)	\$ (21,439,126)	\$ (20,580,060)	\$ (14,303,666)	\$ (18,866,198)	\$ (15,762,163)	\$ (20,191,371)
General Revenues							
Governmental activities:							
Taxes:							
Property taxes	\$ 8,920,112	\$ 8,250,501	\$ 7,040,424	\$ 6,569,073	\$ 5,767,080	\$ 6,096,273	\$ 6,540,293
Utility service taxes	4,250,024	4,282,054	4,282,586	4,446,105	4,223,089	4,208,418	4,534,665
Infrastructure sales surtax	3,715,371	3,614,528	3,436,710	3,192,877	3,013,051	2,810,128	2,674,927
Half cent sales tax	2,256,442	2,237,167	2,165,558	2,045,485	1,947,273	1,864,750	1,846,028
Franchise taxes	2,406,038	2,448,302	2,634,802	2,624,822	2,371,745	2,541,409	2,707,724
Other taxes	333,972	338,061	321,603	351,802	171,956	81,917	83,596
State revenue sharing	1,300,819	1,242,420	1,221,632	1,157,604	1,109,982	1,158,749	1,170,693
Grants and contributions not restricted to specific programs	-	-	2,932,567	-	-	-	-
Unrestricted investment earnings	227,835	73,505	98,536	21,778	48,438	76,561	95,313
Gain / (loss) on sale of capital assets	98,681	369,345	-	-	11,732	(37,708)	30,918
Transfers	(2,649,858)	-	(39,329)	1,369,394	1,800	(40,416)	(658,074)
Total government activities revenues	20,859,436	22,855,883	24,095,089	21,778,940	18,666,146	18,760,081	19,026,083
Business type activities:							
Unrestricted investment earnings	417,154	324,574	327,714	121,671	55,609	77,763	78,508
Gain (loss) on sale of capital assets	-	-	-	-	9,179	4,495	-
Transfers	2,649,858	-	39,329	(1,369,394)	(1,800)	40,416	658,074
Total business type activities	3,067,012	324,574	367,043	(1,247,723)	62,988	122,674	736,582
Total primary government revenues	\$ 23,926,448	\$ 23,180,457	\$ 24,462,132	\$ 20,531,217	\$ 18,729,134	\$ 18,882,755	\$ 19,762,665
CHANGE IN NET POSITION							
Governmental activities	\$ 828,970	\$ 2,254,664	\$ 3,943,483	\$ 7,142,131	\$ 33,313	\$ (124,911)	\$ (1,073,949)
Business type activities	3,321,000	(513,333)	(61,411)	(914,580)	(170,377)	3,245,503	645,243
Total primary government	\$ 4,149,970	\$ 1,741,331	\$ 3,882,072	\$ 6,227,551	\$ (137,064)	\$ 3,120,592	\$ (428,706)

2010	2009	2008
\$ 2,499,304	\$ 3,681,315	\$ 2,578,302
11,691,457	12,653,234	12,240,372
-	-	825
2,226,040	1,839,363	2,610,475
467,325	507,328	323,734
9,772,233	9,931,370	10,727,942
772,810	834,618	866,910
<u>27,429,169</u>	<u>29,447,228</u>	<u>29,348,560</u>
4,577,524	4,571,427	4,832,211
16,661,525	18,511,182	17,899,287
-	-	(25,237)
1,792,841	1,615,538	1,729,016
484,848	478,476	469,475
378,065	603,161	613,178
-	-	-
<u>23,894,803</u>	<u>25,779,784</u>	<u>25,517,930</u>
<u>\$ 51,323,972</u>	<u>\$ 55,227,012</u>	<u>\$ 54,866,490</u>
\$ -	\$ -	\$ -
2,899,019	2,518,229	2,634,437
-	-	-
-	-	-
126,548	95,097	89,631
2,543,144	2,739,619	3,037,989
228,748	415,025	190,371
1,941,343	10,311,831	1,426,814
<u>7,738,802</u>	<u>16,079,801</u>	<u>7,379,242</u>
5,551,050	5,269,810	5,084,949
15,618,206	15,344,070	15,532,604
-	-	-
1,887,145	1,682,977	1,640,783
433,559	443,924	418,032
214,859	473,021	552,518
-	-	-
-	-	571,527
628,771	973,045	763,242
<u>24,333,590</u>	<u>24,186,847</u>	<u>24,563,655</u>
<u>\$ 32,072,392</u>	<u>\$ 40,266,648</u>	<u>\$ 31,942,897</u>
\$ (19,690,367)	\$ (13,367,427)	\$ (21,969,318)
438,787	(1,592,937)	(954,275)
<u>\$ (19,251,580)</u>	<u>\$ (14,960,364)</u>	<u>\$ (22,923,593)</u>
\$ 7,277,630	\$ 8,364,594	\$ 9,212,358
4,807,075	4,713,985	4,248,062
2,720,927	4,727,908	3,708,123
1,793,787	1,808,035	1,983,182
2,935,741	2,811,613	2,474,338
76,239	73,668	102,781
1,243,130	1,134,958	1,276,949
1,639	-	-
146,429	(85,633)	340,398
24,693	149,744	-
(1,820,411)	(104,160)	(486,751)
<u>19,206,879</u>	<u>23,594,712</u>	<u>22,859,440</u>
143,825	(43,434)	521,255
371	1,855	-
1,820,411	104,160	486,751
<u>1,964,607</u>	<u>62,581</u>	<u>1,008,006</u>
<u>\$ 21,171,486</u>	<u>\$ 23,657,293</u>	<u>\$ 23,867,446</u>
\$ (483,488)	\$ 10,227,285	\$ 890,122
2,403,394	(1,530,356)	53,731
<u>\$ 1,919,906</u>	<u>\$ 8,696,929</u>	<u>\$ 943,853</u>

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

<u>Fiscal Year</u>	<u>Property</u>	<u>Franchise</u>	<u>Utility Service</u>	<u>Total</u>
2008	\$ 9,212,358	\$ 2,474,338	\$ 4,248,062	\$ 15,934,758
2009	8,364,594	2,811,613	4,713,985	15,890,192
2010	7,277,630	2,935,741	4,807,075	15,020,446
2011	6,540,293	2,707,724	4,534,665	13,782,682
2012	6,096,273	2,541,409	4,208,418	12,846,100
2013	5,767,080	2,371,745	4,223,089	12,361,914
2014	6,569,073	2,624,822	4,446,105	13,640,000
2015	7,040,424	2,634,802	4,282,586	13,957,812
2016	8,250,501	2,448,302	4,282,054	14,980,857
2017	8,920,112	2,406,038	4,250,024	15,576,174

DUNEDIN

Home of Honeymoon Island

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

(modified accrual basis of accounting)

	2017	2016	2015	2014
General fund:				
Nonspendable	\$ 210,175	\$ 212,299	\$ 13,339	\$ 216,896
Restricted	268,627	280,928	350,064	352,473
Committed	676,837	354,800	277,219	228,418
Assigned	510,219	3,143,941	765,970	65,447
Unassigned	4,663,984	4,252,961	6,414,126	3,217,422
Total general fund	\$ 6,329,842	\$ 8,244,929	\$ 7,820,718	\$ 4,080,656
All other governmental funds:				
Nonspendable	\$ 1,800	\$ 3,831	\$ -	\$ 4,899
Restricted	11,452,780	6,745,285	6,156,597	4,483,221
Committed	-	-	284,151	328,405
Assigned	-	-	-	-
Unassigned	(750,108)	-	-	-
Total all other governmental funds	\$ 10,704,472	\$ 6,749,116	\$ 6,440,748	\$ 4,816,525

	2009	2008
General fund:		
Reserved	\$ 1,071,515	\$ 571,004
Unreserved	7,658,106	7,470,489
Total general fund	\$ 8,729,621	\$ 8,041,493
All other governmental funds:		
Reserved, reported in:		
Special revenue funds	\$ 525,082	\$ 15,319
Capital projects funds	562,702	279,355
Unreserved, reported in:		
Special revenue funds	2,546,222	5,915,014
Capital projects funds	707,512	667,991
Total all other governmental funds	\$ 4,341,518	\$ 6,877,679

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

2013	2012	2011	2010
\$ 11,052	\$ 22,670	\$ 15,275	\$ 255,599
585,458	567,305	627,388	612,627
-	-	-	-
115,416	242,303	2,020,923	562,133
3,097,698	3,944,684	4,984,151	7,302,058
<u>\$ 3,809,624</u>	<u>\$ 4,776,962</u>	<u>\$ 7,647,737</u>	<u>\$ 8,732,417</u>
\$ -	\$ -	\$ 742	\$ 59,076
3,839,145	3,379,423	2,681,888	3,782,026
237,177	483,645	603,830	397,793
-	-	-	-
23,155	-	-	99,827
<u>\$ 4,099,477</u>	<u>\$ 3,863,068</u>	<u>\$ 3,286,460</u>	<u>\$ 4,338,722</u>

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

(modified accrual basis of accounting)

	2017	2016	2015	2014
REVENUES				
Taxes	\$ 15,576,174	\$ 14,980,857	\$ 13,957,812	\$ 13,640,000
Licenses, fees and permits	574,584	1,732,716	1,304,991	941,721
Intergovernmental	9,240,743	9,072,239	8,713,327	8,607,752
Charges for services	8,014,070	5,966,581	5,778,492	5,537,719
Fines and forfeits	870,548	483,228	384,288	378,643
Interest earnings	144,174	43,770	71,817	14,659
Miscellaneous	949,574	946,982	3,773,065	700,638
Total revenues	35,369,867	33,226,373	33,983,792	29,821,132
EXPENDITURES				
General government	4,308,759	4,419,611	4,525,270	4,366,316
Public safety	11,765,529	11,399,327	10,230,404	10,175,544
Physical environment	-	-	-	-
Transportation	1,749,797	1,724,305	1,643,219	1,694,823
Economic development	331,851	390,839	370,393	448,045
Culture and recreation	9,299,140	9,157,382	8,817,280	8,304,517
Capital outlay	1,269,870	3,537,097	1,211,986	2,718,624
Aids and grants	211,627	176,632	214,292	287,472
Debt service:				
Principal	1,013,050	1,216,501	1,496,651	1,394,636
Interest	180,344	189,422	292,372	343,697
Total expenditures	30,129,967	32,211,116	28,801,867	29,733,674
Excess (deficiency) of revenues over expenditures	5,239,900	1,015,257	5,181,925	87,458
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	27,050	1,473	8,252	25,817
Debt proceeds	-	-	(119,211)	-
Transfers in	1,531,785	337,985	1,011,810	2,697,443
Transfers out	(4,758,466)	(622,136)	(718,490)	(1,822,638)
Total other financing sources (uses)	(3,199,631)	(282,678)	182,361	900,622
Net change in fund balances	\$ 2,040,269	\$ 732,579	\$ 5,364,286	\$ 988,080
 Debt service as a percentage of noncapital expenditures	 4.1%	 6.4%	 7.5%	 7.7%

2013	2012	2011	2010	2009	2008
\$ 12,361,914	\$ 12,846,100	\$ 13,782,682	\$ 15,020,446	\$ 15,890,192	\$ 15,934,758
863,480	971,988	754,756	732,845	445,622	491,412
7,980,907	7,519,245	7,429,830	8,251,620	18,955,257	8,971,822
5,593,634	5,621,731	5,393,724	5,369,511	5,679,455	5,558,004
497,113	178,739	220,901	119,427	184,190	210,618
22,547	47,478	77,993	122,088	(64,719)	338,180
988,659	592,798	702,380	735,251	556,292	880,385
28,308,254	27,778,079	28,362,266	30,351,188	41,646,289	32,385,179
3,939,915	2,975,639	3,026,559	3,273,169	3,543,512	3,661,825
9,927,788	11,182,563	11,252,343	11,781,242	11,876,309	11,653,936
-	-	-	-	-	825
1,616,462	1,543,624	1,656,767	1,785,106	1,869,700	1,957,496
398,917	445,600	409,780	466,280	394,828	323,734
8,013,764	7,728,248	7,329,256	7,934,753	8,126,402	8,670,406
2,779,744	2,476,284	3,624,709	4,198,061	11,924,208	2,794,170
286,677	186,329	211,860	166,233	515,203	170,801
1,410,650	1,424,928	1,584,307	1,297,789	2,356,923	1,668,241
540,297	610,170	680,752	741,855	835,723	887,607
28,914,214	28,573,386	29,776,333	31,644,488	41,442,808	31,789,041
(605,960)	(795,307)	(1,414,067)	(1,293,300)	203,481	596,138
8,683	-	-	-	1,181,800	-
104,138	-	-	-	-	-
1,370,702	3,258,292	1,696,012	2,405,836	3,870,555	5,028,788
(1,608,492)	(4,757,152)	(2,418,887)	(3,259,235)	(3,962,516)	(5,746,548)
(124,969)	(1,498,860)	(722,875)	(853,399)	1,089,839	(717,760)
\$ (730,929)	\$ (2,294,167)	\$ (2,136,942)	\$ (2,146,699)	\$ 1,293,320	\$ (121,622)
6.5%	5.0%	8.8%	6.1%	16.2%	8.9%

City of Dunedin, Florida

General Governmental Expenditures and Transfers by Function ¹

Last Ten Fiscal Years ²

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Economic Development	Culture and Recreation
2008	\$ 3,661,825	\$ 11,653,936	\$ 825	\$ 1,957,496	\$ 323,734	\$ 8,670,406
2009	3,543,512	11,876,309	-	1,869,700	394,828	8,126,402
2010	3,273,169	11,781,242	-	1,785,106	466,280	7,934,753
2011	3,026,559	11,252,343	-	1,656,767	409,780	7,329,256
2012	2,975,639	11,182,563	-	1,543,624	445,600	7,728,248
2013	3,939,915	9,927,788	-	1,616,462	398,917	8,013,764
2014	4,366,316	10,175,544	-	1,694,823	448,045	8,304,517
2015	4,525,270	10,230,404	-	1,643,219	370,393	8,817,281
2016	4,419,611	11,399,327	-	1,724,305	390,839	9,157,382
2017	4,308,759	11,765,529	-	1,749,797	331,851	9,299,140

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

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

Capital Outlay	Debt Service	Transfers Out	Other	Total
\$ 2,794,170	\$ 2,555,848	\$ 5,746,548	\$ 170,801	\$ 37,535,589
11,924,208	3,192,646	3,962,516	515,203	45,405,324
4,198,061	2,039,644	3,259,235	166,233	34,903,723
3,624,709	2,265,059	2,418,887	211,860	32,195,220
2,476,284	2,035,098	4,757,152	186,329	33,330,538
2,779,744	1,950,947	1,608,492	286,677	30,522,706
2,718,624	1,738,333	1,822,638	287,472	31,556,312
1,211,986	1,789,023	718,490	214,292	29,520,358
3,537,097	1,405,923	622,136	176,632	32,833,252
1,269,870	1,193,394	4,758,466	211,627	34,888,433

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Home of Honeymoon Island

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REVENUE CAPACITY

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

FY Ended Sept 30,	Real Property				
	Residential Property	Commercial Property	Industrial Property	Other Property ¹	Personal Property
2008	\$ 2,055,969,822	\$ 321,438,745	\$ 27,796,700	\$41,619,755	\$ 106,309,880
2009	1,813,363,664	351,142,490	28,083,500	37,006,566	89,119,848
2010	1,570,371,303	280,821,157	26,056,165	59,651,262	86,727,617
2011	1,424,191,373	249,278,430	22,754,140	49,882,330	81,301,215
2012	1,395,841,673	238,010,568	21,718,717	39,462,381	76,782,855
2013	1,344,271,312	231,166,397	21,212,491	44,261,605	78,233,683
2014	1,384,844,153	236,587,023	21,953,609	33,279,232	82,734,943
2015	1,483,004,224	247,113,147	23,427,290	37,317,833	85,583,545
2016	1,590,057,102	260,788,703	24,727,399	33,767,027	82,542,474
2017	1,723,298,384	284,633,686	24,568,659	29,151,938	85,718,582
Change 2016 - 2017	8.38%	9.14%	-0.64%	-13.67%	3.85%

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

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

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

Source: Pinellas County Property Appraiser

Total Taxable Assessed Value	Total Direct Tax Rate ²	Estimated Actual Market Value ³	Taxable Assessed Value as a % of Actual Value
\$ 2,553,134,902	3.5597	\$ 4,211,355,400	60.6%
2,318,716,068	3.5597	3,921,795,310	59.1%
2,023,627,504	3.5597	3,278,182,101	61.7%
1,827,407,488	3.5597	2,884,900,277	63.3%
1,771,816,194	3.3817	2,742,388,004	64.6%
1,719,145,488	3.3817	2,609,865,581	65.9%
1,759,398,960	3.7345	2,675,288,098	65.8%
1,876,446,039	3.7345	2,954,536,952	63.5%
1,991,882,705	4.1345	3,239,899,785	61.5%
2,147,371,249	4.1345	3,528,185,824	60.9%
7.81%	0.00%	8.90%	

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

Fiscal Year	City Direct Rate ¹	Overlapping Rates					TOTAL
		County Wide ²	School	Transit District ³	EMS ³	Other Districts ⁴	
2008	3.5597	4.8730	7.7310	0.5601	0.5832	0.3866	17.6936
2009	3.5597	4.8730	8.0610	0.5601	0.5832	1.5551	19.1921
2010	3.5597	4.8730	8.3460	0.5601	0.5832	1.5106	19.4326
2011	3.5597	4.8730	8.3400	0.5601	0.5832	1.4410	19.3570
2012	3.3817	4.8730	8.3850	0.7305	0.8506	1.2390	19.4598
2013	3.3817	5.0727	8.3020	0.7305	0.9158	1.3034	19.7061
2014	3.7345	5.3377	8.0600	0.7305	0.9158	1.2959	20.0744
2015	3.7345	5.3377	7.8410	0.7305	0.9158	1.2799	19.8394
2016	4.1345	5.3377	7.7700	0.7305	0.9158	1.2629	20.1514
2017	4.1345	5.3377	7.3180	0.7500	0.9158	1.2448	19.7008

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

(2) County Wide includes:

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

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

(4) Other Districts includes:

Pinellas County Planning Council	0.0150
Juvenile Welfare Board	0.8981
Southwest Florida Water Mgmt.	0.3317
	<u>1.2448</u>

Source: Pinellas County Property Appraiser

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

Taxpayer	September 30, 2017			September 30, 2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Mac Alpine Place Apt. PTN LTD	\$ 49,104,712	1	2.29%	\$ 30,900,000	1	1.73%
Chesapeake Apt.	19,250,000	2	0.90%	14,900,000	3	0.84%
M H C Lake Haven LLC	11,979,363	3	0.56%	10,025,000	6	0.56%
Live at Dunedin LLC	11,200,000	4	0.52%			
Scottish Towers II Apt. LTD Partnership	9,550,000	5	0.44%	8,100,000	10	0.45%
P B H Logarto LLC	9,240,000	6	0.43%			
P X Granada Plaza LP	8,970,000	7	0.42%			
Publix Super Markets Inc.	8,955,000	8	0.42%	9,680,000	7	0.54%
Doheny-Vidovich Partners	7,953,332	9	0.37%			
Coca-Cola Co. Inc.	7,885,000	10	0.37%			
Pinellas Marina LLC				15,131,600	2	0.85%
Odyssey DP				10,600,000	4	0.59%
Coastal Palms SDM LLC				10,500,000	5	0.59%
TPA Investments LLC				9,186,500	8	0.52%
Corporate Square LLC				8,100,000	9	0.45%
SUB-TOTAL:	144,087,407		6.72%	127,123,100		7.12%
ALL OTHERS:	2,003,283,842		93.28%	1,654,728,740		92.88%
TOTAL:	\$ 2,147,371,249		100.00%	\$ 1,781,851,840		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	Percent of Levy	Delinquent Collections ²	Amount	Percentage of Levy
2008	\$ 2,553,134,902	3.5597	\$ 9,088,394	\$ 8,075,170	88.9%	\$ 439,190	\$ 8,514,360	93.7%
2009 *	2,318,716,068	3.5597	8,253,934	7,731,980	93.7%	22,968	7,754,948	94.0%
2010	2,023,627,504	3.5597	7,203,507	6,763,013	93.9%	21,039	6,784,052	94.2%
2011	1,827,407,488	3.5597	6,505,022	6,111,943	94.0%	14,636	6,126,579	94.2%
2012	1,771,816,194	3.3817	5,991,747	5,723,281	95.5%	119	5,723,400	95.5%
2013	1,719,145,488	3.3817	5,813,631	5,269,249	90.6%	134,104	5,403,353	92.9%
2014	1,759,398,960	3.7345	6,570,474	6,035,872	91.9%	140,809	6,176,681	94.0%
2015	1,876,446,039	3.7345	7,007,587	6,435,377	91.8%	155,057	6,590,434	94.1%
2016	1,991,882,705	4.1345	8,235,439	7,577,173	92.0%	167,274	7,744,447	94.0%
2017	2,147,371,249	4.1345	8,878,306	8,141,071	91.7%	209,599	8,350,670	94.1%

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

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

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

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

DEBT CAPACITY

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

Fiscal Year	Governmental Activities		Business Type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Revenue Bonds	Capital Leases	Water / Sewer & Bonds	Capital Leases			
2008	\$ 19,730,418	\$ 1,312,117	\$ 26,843,018	\$ -	\$ 47,885,553	4.82%	\$ 1,356
2009	17,373,495	1,953,199	24,693,131	-	44,019,825	4.57%	1,275
2010	16,075,706	1,663,588	23,845,710	-	41,585,004	4.68%	1,223
2011	14,491,400	2,174,240	20,842,993	-	37,508,633	4.18%	1,177
2012	13,066,481	1,085,706	24,944,023 *	-	37,928,187	3.80%	1,053
2013	11,759,958	717,261	24,946,102 *	-	36,253,220	3.93%	1,076
2014	11,645,322	415,177	23,976,774 *	-	36,037,273	3.76%	1,029
2015	10,273,672	104,349	28,938,612 *	-	39,316,633	3.87%	1,110
2016	9,057,170	624,420	27,526,883	694,142	37,902,615	3.41%	1,044
2017	8,044,120	503,493	26,047,154	559,712	35,154,479	2.94%	949

(1) See the schedule of Demographic and Economic Statistics for personal income and population data
Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

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

City of Dunedin, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2017

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE ¹	ESTIMATED SHARE OF OVERLAPPING DEBT
Overlapping debt:			
Pinellas County	\$ 9,456,613		
Pinellas County School Board	\$ 12,496,652		
Total overlapping debt	\$ 21,953,265	3.150%	\$ 691,528
City of Dunedin direct debt			<u>\$ 8,547,613</u>
Total direct and overlapping debt			<u><u>\$ 9,239,141</u></u>

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

City Taxable Value: \$ 2,147,371,249

County Taxable Value: \$ 68,171,229,061

Sources:

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

Debt outstanding data provided by Pinellas County School Board.

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

Fiscal Year	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³	Coverage Ratio
2008	\$ 18,397,808	\$ 13,239,576	\$ 5,158,232	\$ 2,465,204	2.09
2009	17,227,189	13,989,999	3,237,190	2,583,954	1.25
2010	17,454,334	12,481,590	4,972,744	2,457,283	2.02
2011	18,133,758	12,945,494	5,188,264	2,486,758	2.09
2012	16,879,645	10,925,824	5,417,161	2,605,576	2.08
2013	15,475,054	11,028,345	4,446,709	495,803 ⁴	8.97
2014	15,244,674	11,248,564	3,996,110	1,891,887	2.11
2015	15,370,160	12,023,320	3,346,840	1,462,502	2.29
2016	15,528,153	12,836,457	2,691,696	1,463,195	1.84
2017	16,481,791	12,978,691	3,503,100	1,463,056	2.39

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

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

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

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

City of Dunedin, Florida
Revenue Bond Coverage
Stormwater Revenue Bonds

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

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

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

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

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

City of Dunedin, Florida
Schedule of Debt Service Ratio

<u>Description</u>	<u>Actual September 30 2017</u>	<u>Adopted Budget September 30 2017</u>	<u>Adopted Budget September 30 2018</u>
Total Governmental Revenues	\$ 35,369,867	\$ 33,286,200	\$ 118,085,100
Internal Service Revenues:			
Rental Income	27,912	27,000	27,000
Non-Operating:			
Investment earnings	83,661	18,100	18,100
Total Internal Services Revenues	<u>111,573</u>	<u>45,100</u>	<u>45,100</u>
Total Annual Revenues - September 30	<u>\$ 35,481,440</u>	<u>\$ 33,331,300</u>	<u>\$ 118,130,200</u>
Total Annual General Government Debt Service exclusive of Enterprise Funds, Internal Service Funds and Special Assessment Debt Service	<u>\$ 1,183,585</u>	<u>\$ 1,183,585</u>	<u>\$ 1,188,100</u>
Debt Service Ratio	<u>3.34%</u>	<u>3.55%</u>	<u>1.01%</u>
Total Capacity Debt Service (12.5%)	\$ 4,435,180	\$ 4,166,413	\$ 14,766,275
Less: Current Debt Service	<u>1,183,585</u>	<u>1,183,585</u>	<u>1,188,100</u>
Excess Debt Service Available	<u>\$ 3,251,595</u>	<u>\$ 2,982,828</u>	<u>\$ 13,578,175</u>
Excess Outstanding Debt Service Available			
10 Years	\$ 29,040,529	\$ 26,640,123	\$ 121,268,913
20 Years	52,608,764	48,260,275	219,686,341

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

Debt Description	September 30 2016	September 30 2017	Adopted Budget September 30 2018
Community Center			
\$6.5M - Sales Tax Refunding Revenue Bond, Series 2015	\$ 543,382	\$ 663,876	\$ 668,200
Spring Training Facilities			
\$5.2M Series 2012 Revenue Note	757,913	415,149	415,300
Fire Station 61			
\$1.28M Series 2013 Non Ad Valorem Note	104,628	104,560	104,600
Total Annual General Government Debt Service	\$ 1,405,924	\$ 1,183,585	\$ 1,188,100

DUNEDIN

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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
2008	37,561	\$ 1,060,084,103	\$ 28,223	48.2	6.2%
2009	35,988	1,046,998,884	29,093	47.6	10.2%
2010	35,920	941,463,200	26,210	48.2	11.3%
2011	35,321	995,875,595	28,195	51.3	10.2%
2012	35,629	987,208,332	27,708	51.1	8.2%
2013	35,247	964,216,932	27,356	53.3	6.2%
2014	35,690	1,054,032,770	29,533	51.8	5.8%
2015	35,410	1,015,665,030	28,683	54.0	5.0%
2016	36,311	1,112,823,217	30,647	54.2	4.7%
2017	37,063	1,195,392,939	32,253	55.0	3.2%

Data Source:

(1) FY 2005-2010, 2014: City-data.com; FY 2011: 2010 US Census; FY 2012-2013, FY 2015-2017: Pinellas County Economic Development

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

(3) FY 2005-2010: City-data.com; FY 2011, 2014: US Census Results
FY 2012, 2015-2017: Pinellas Co. Economic Development

(4) FY 2005-2010: Muninetguide.com; FY 2011, 2014: US Census
FY 2012-2013, 2015-2017: Pinellas Co. Economic Development

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

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

<u>Employer</u>	<u>September 30, 2017</u>			<u>September 30, 2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment ²</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment ²</u>
Pinellas School System	565	1	3.09%	605	3	3.76%
Coca-Cola North America	420	2	2.30%	177	6	1.10%
Mease Dunedin Hospital	405	3	2.22%	625	2	3.88%
City of Dunedin	367	4	2.01%	392	4	2.44%
Mease Manor Home Health	300	5	1.64%	311	5	1.93%
Publix Supermarkets	260	6	1.42%			
Bay Care Home Care	150	7	0.82%			
Pinellas County Sheriff - N District	125	8	0.68%			
Bon Appetit Restaurant & Bar	120	9	0.66%			
Manorcare Health SVC - Dunedin	120	10	0.66%			
Nielsen Media Research	-		0.00%	849	1	5.28%
TOTAL	<u>2,832</u>		<u>15.51%</u>	<u>2,110</u>		<u>13.11%</u>

(1) Source: Pinellas County Economic Development

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

Total employment for 2017 18,256 at September 30, 2017

Total employment for 2008 16,091 at September 30, 2007

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OPERATING INFORMATION

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

Function	2017	2016	2015	2014	2013	2012
General Government	51.990	60.690	57.660	60.470	55.880	52.730
Public Safety						
Fire*	45.250	45.250	45.250	45.250	45.250	45.250
EMS*	9.750	9.750	9.750	9.750	9.750	9.750
Building services**	8.700	-	-	-	-	-
Culture and recreation	86.400	84.520	82.770	79.500	77.750	76.000
Highways and streets						
Engineering	14.000	14.000	14.500	14.500	14.750	15.000
Maintenance	8.660	8.660	8.660	8.660	8.660	9.670
Facilities	10.680	10.680	9.680	9.680	9.680	9.680
Fleet Services	9.000	8.500	8.500	8.500	8.500	8.500
Solid Waste	21.000	21.000	21.000	24.000	24.000	26.000
Water	30.330	30.330	30.330	30.330	31.000	32.000
Wastewater	35.330	35.330	35.330	35.330	36.000	36.000
Stormwater	13.660	13.660	13.660	13.660	12.660	11.670
TOTAL	<u>344.750</u>	<u>342.370</u>	<u>337.090</u>	<u>339.630</u>	<u>333.880</u>	<u>332.250</u>

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

2011	2010	2009	2008
55.500	52.225	55.351	63.351
45.250	45.250	45.250	45.250
9.750	9.750	9.750	9.750
-	-	-	-
75.500	82.000	89.000	97.570
15.500	15.000	16.000	16.000
9.660	9.000	11.000	12.000
9.660	12.000	12.000	24.000
8.500	8.500	8.500	8.500
28.000	28.000	28.000	28.000
32.000	29.000	30.000	30.000
38.000	47.000	47.000	50.000
10.660	10.000	10.000	10.000
<u>337.980</u>	<u>347.725</u>	<u>361.851</u>	<u>394.421</u>

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

Function	2017	2016	2015	2014
Fire				
Number of fire emergencies with dollar loss**	72	86	86	69
EMS responses	5,918	5,780	6,930	5,423
Other calls	2,664	2,229	1,000	1,639
Inspections	915	807	1,011	1,097
Investigations	27	14	25	26
Highways and streets				
Streets paved (miles)	110	130	130	130
Streets unimproved (miles)	6	3	3	3
Street lights	3,885	3,885	3,885	3,918
Culture and recreation ***				
Recreation facilities - parks (acres)	248	248	240	240
Recreation facilities - specialty facilities (acres)	206	206	206	206
Recreation facilities - beaches (acres)	37	37	37	37
Library materials	130,758	139,290	138,568	158,566
Library annual circulation	451,050	561,431	543,419	549,885
Library registered borrowers	29,354	27,337	29,653	32,716
Solid waste				
Customers serviced	14,700	14,715	14,607	14,536
Refuse / recycling collected (tons)	37,800	36,902	35,594	35,366
Water				
Total connections - regular	11,713	11,618	11,437	11,361
Total connections - reclaimed	3,714	3,659	3,628	3,554
Average daily consumption (Gallons) - regular	3,708,000	3,753,000	3,645,000	3,605,000
Average daily consumption (Gallons) - reclaimed	3,070,000	2,852,000	2,500,000	2,590,000
Operating wells	29	29	27	27
Sewer (wastewater)				
Miles of sanitary sewers	128	128	128	128
Average daily sewage treatment (Gallons)	4,071,000	4,598,000	4,707,000	4,232,000

* Information not available

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

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

2013	2012	2011	2010	2009	2008
91	115	108	110	111	704
5,173	5,138	5,012	4,973	4,895	5,372
1,739	1,372	1,462	1,988	1,816	384
1,279	1,396	1,509	1,596	1,484	1,376
20	97	88	108	77	55
130	130	130	130	130	130
3	3	3	3	3	3
3,568	3,568	3,568	3,568	3,568	3,568
240	322	322	322	322	322
201	*	*	*	*	*
37	37	37	37	37	37
141,734	135,945	139,623	146,909	131,098	128,977
590,323	632,382	656,507	600,951	483,303	443,157
31,454	29,756	26,439	29,735	27,477	32,858
14,442	14,453	14,473	14,492	14,596	14,546
34,929	35,618	38,425	40,656	41,053	45,796
11,331	11,435	10,958	10,894	11,536	11,394
3,549	3,395	3,396	3,395	3,343	3,323
3,400,000	3,514,000	3,020,000	3,256,000	3,269,000	3,396,000
2,800,000	2,850,000	2,670,000	2,600,000	2,800,000	3,139,000
27	26	22	*	26	26
128	128	128	128	128	128
4,100,000	4,370,000	4,390,000	4,596,000	4,613,000	4,382,000

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

Function	2017	2016	2015	2014
Fire				
Fire stations	3	3	3	3
Culture and recreation				
Baseball fields	10	10	10	10
Baseball stadium (seating capacity)	5,509	5,509	5,509	5,509
Basketball - indoor courts	1	1	1	1
Basketball - outdoor courts	5	5	5	5
Community center	1	1	1	1
Fishing areas	15	15	15	15
Golf courses	2	2	2	2
Library	2	2	2	2
Marina (slips)	183	183	183	183
Multi- purpose indoor court	1	1	1	1
Nature center	1	1	1	1
Parks *	32	31	31	31
Picnic areas	15	15	15	15
Public boat ramps	1	1	1	1
Recreation centers	3	3	3	3
Senior center	1	1	1	1
Soccer / football fields	4	4	4	4
Softball fields	5	5	5	5
State and county parks	4	4	4	4
Swimming pools	1	1	1	1
Tennis courts	11	11	11	11
Utility playfields	4	4	4	4
Water				
Water mains (miles)	172	172	172	172
Water plants	1	1	1	1
Fire hydrants	1,314	1,310	1,292	1,238
Sewer (wastewater)				
Mains	153	150	150	150
Lift stations	43	43	43	43
Treatment plants	1	1	1	1
Sewers (miles)	128	128	128	128

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

2013	2012	2011	2010	2009	2008
3	3	3	3	3	3
12	12	12	12	12	12
5,509	5,509	5,509	5,509	5,509	5,509
1	1	1	1	1	1
5	5	5	5	5	5
1	1	1	1	1	1
15	15	15	15	15	14
2	2	2	2	2	2
2	2	2	2	2	2
194	194	194	194	194	194
1	1	1	1	1	1
1	1	1	1	1	1
31	32	32	31	31	30
15	15	15	15	15	15
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
4	4	4	4	4	4
5	3	3	3	3	3
4	4	4	4	4	4
1	1	1	1	1	1
11	11	11	11	11	11
4	4	4	4	4	4
172	172	172	172	172	172
1	1	1	1	1	1
1,236	1,220	1,220	1,220	1,220	1,220
150	150	150	150	150	150
43	42	42	42	42	42
1	1	1	1	1	1
128	128	128	128	128	128

DUNEDIN

Home of Honeymoon Island

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COMPLIANCE SECTION

DUNEDIN

Home of Honeymoon Island

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Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dunedin, Florida (the City) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 23, 2018. Our report includes a reference to other auditors who audited the financial statements of the City's Municipal Firefighters' Pension Trust Fund, as described in our report on the City's financial statements. The financial statements of the City's Municipal Firefighters' Pension Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated March 23, 2018.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Tampa, Florida
March 23, 2018



Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the compliance of the City of Dunedin, Florida (the City) with the requirements of Sections 218.415, Florida Statutes, during the fiscal year ended September 30, 2017. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2017.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Tampa, Florida
March 23, 2018



Certified Public Accountants

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the basic financial statements of the City of Dunedin, Florida (the City) as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 23, 2018.

Auditor's Responsibility

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

Other Reports

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 23, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

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

Financial Condition and Management (Continued)

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we have one recommendation for improvement in internal controls.

2017-001 – Payroll – Segregation of Duties

Condition:

During our audit of the current-year financial statements, we noted a lack of segregation of duties as it relates to the payroll processing function due to turnover in staff and a vacant position. One employee has the ability to maintain the payroll master file, including making changes to pay rates. The same person is also able to process payroll.

Effect:

Although it doesn't appear that there were any unauthorized pay rate changes, the lack of segregation of duties in the payroll processing function could increase the risk that an irregularity could occur and go undetected.

Cause:

Turnover in staff and unfilled positions in the Human Resources department.

Criteria:

The City's management is responsible for establishing and maintaining internal controls over the payroll processing function.

Recommendation:

We recommend that the City's management strengthen internal controls as it relates to the payroll processing function. Maintenance of the payroll master file and processing of payroll should not be performed by the same employee.

Management Response:

We are currently working to fill the vacant positions in Human Resources which will allow segregation of duties for maintenance of the payroll master file and processing of payroll. In the interim, staff will establish mitigating controls to reduce the risk of unauthorized changes.

Annual Financial Report

Sections 10.554(1)(i)5.b and 10.556(7)., *Rules of the Auditor General*, require that we determine whether the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, 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, 2017. In connection with our audit, we determined that these two reports were in agreement.

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

Special District Component Units

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

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any findings.

Purpose of this Letter

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



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Tampa, Florida
March 23, 2018

CITY OF DUNEDIN, FLORIDA

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

For the Year Ended September 30, 2017

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

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