

# CITY OF DUNEDIN

Fiscal Year Ended September 30, 2006



Comprehensive Annual  
Financial Report

*"Dedicated to Quality Service"*

# **CITY OF DUNEDIN, FLORIDA**

## ***Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2006***

### **CITY COMMISSION**

**ROBERT HACKWORTH**  
Mayor

**DAVE EGGERS**  
Vice Mayor - Commissioner

**JULIE WARD BUJALSKI**  
Commissioner

**DEBORAH KYNES**  
Commissioner

**JULIE SCALES**  
Commissioner

### **CITY MANAGER**

**ROBERT DISPIRITO**

### **FINANCE DIRECTOR**

**M. EARL SANDERS, CPA**

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

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**City of Dunedin, Florida  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2006**

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# CITY OF DUNEDIN

"Dedicated to Quality Service"

P.O. BOX 1348  
DUNEDIN, FLORIDA 34697-1348  
(727) 298-3000

March 31, 2007

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

We hereby issue the comprehensive annual financial report of the City of Dunedin, Florida for the fiscal year ended September 30, 2006. 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"). Consequently, 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 that is designed both to 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 by Davidson, Jamieson & Cristini, P.L., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2006, are free of material misstatement. The independent 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2006, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was a part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal control and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit 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 25 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, independent auditor and attorney. 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 three-year staggered terms, with up to two commission members elected every year. The mayor and the City Commission members are elected at large.

The City provides a full range of services, including contracted law enforcement and fire protection; 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 annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City's manager in April of each year. The manager uses these requests as a starting point for developing a proposed

budget. The manager will present the proposed budget to the City Commission at the first meeting in July. The proposed budget will then be reviewed and discussed at workshops prior to final adoption. 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 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 special 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, this comparison is presented on page B-8 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented on pages B-9 and D11 – D24.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local economy.** The economy of Dunedin is primarily dependent upon tourism, services and retirement living. The City mainly consists of residential land uses (47%) and recreational land uses (28%). Industrial and commercial land uses comprise only one percent and four percent, respectively, of the City's land area. Major employers include Mease Hospital Dunedin, a medical complex, Coca-Cola North America, Mease Manor Inc. (a retirement facility), the City of Dunedin and the Pinellas County School System. The City has only one small industrial park. The service industry (banking, retailing, personal services, etc.) has risen significantly to meet the demands of the area's population.

The City's total labor force was 19,037 people in December 2006. In that same month, unemployment for Pinellas County was 2.8%, and the unemployment rate for the City was 2.6%.

The retirement population continues to influence the local economy. Thirty percent of Dunedin's residents were of retirement age (65 and over) in 2000. Dunedin has many retirement homes, condominiums and apartment complexes which accommodate retirees. More young families are moving into the City; therefore, the median age (which was 44.0 years of age in 2005) is continuing to decline. The local economy is also influenced during the winter months by a seasonal population of approximately 3,400 people.

Per capita income in Pinellas County has increased by 35% between 1996 and 2005 (the most recent year for which this information is available) to \$33,316.

**Long-term financial planning.** St. Andrews Links golf course was purchased by the City in December 2002, and renovations since then continue to improve playing conditions and use by the public. In fiscal year 2005, the City Commission approved construction of a \$9.8 million community center, which was completed in the fall of 2006. Funding was obtained through issuance of \$10 million in Sales Tax Revenue Bonds.

**Cash management policies and practices.** Cash balances during the year were invested in U.S. Government Securities, U.S. Government agency and instrumentality securities, Bank of America (checking) and the State Board of Administration investment pool. The maturities of the investments range from 23 days to 10 years, with an average maturity of .4 years. The City's average yield on investments (excluding pension funds) was 4.55 percent.

**Risk management.** The Self-Insurance Fund is maintained as an Internal Service Fund and charges its operating costs annually among all City cost centers. The allocations are based on various exposure factors (i.e.; number of personnel, property values, etc.) along with past claims experience.

The City utilizes this fund to self-insure its first \$250,000 of property damage per occurrence (except wind, hail, and named storms, which has a deductible of 5% of total location value per building, subject to a minimum of \$500,000), and its first \$250,000 of any employee work injury. The City also self-insures all auto liability and the majority of general liability losses, except for Dunedin recreation summer camp and St. Andrews Links Golf Course, where separate insurance policies are utilized.

**Pension and other post employment benefits.**

The Firefighters' Retirement Plan is a defined benefit plan established under Chapter 175 of Florida Statutes.

All other qualified City employees hired before January 1, 1996 participate in the Florida Retirement System Pension Plan which is administered by the State of Florida, Department of Administration, Division of Retirement. At September 30, 2006, the City contributed 9.85% of regular employee gross wages to the plan.

All employees hired subsequent to December 31, 1995 who would qualify for participation in the Florida Retirement System participate in the City's defined contribution plan. The City's contribution rate is 10% of employee's gross wages.

Additional information on the City's pension arrangements can be found on pages C-38 to C-45 in the notes to the financial statements.

## Acknowledgements

This report is the product of the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation. We would also like to express our appreciation to the Mayor and the City Commission for their support, and the firm of Davidson, Jamieson and Cristini, P.L., who provided their expertise throughout the year.

Respectfully submitted,



City Manager

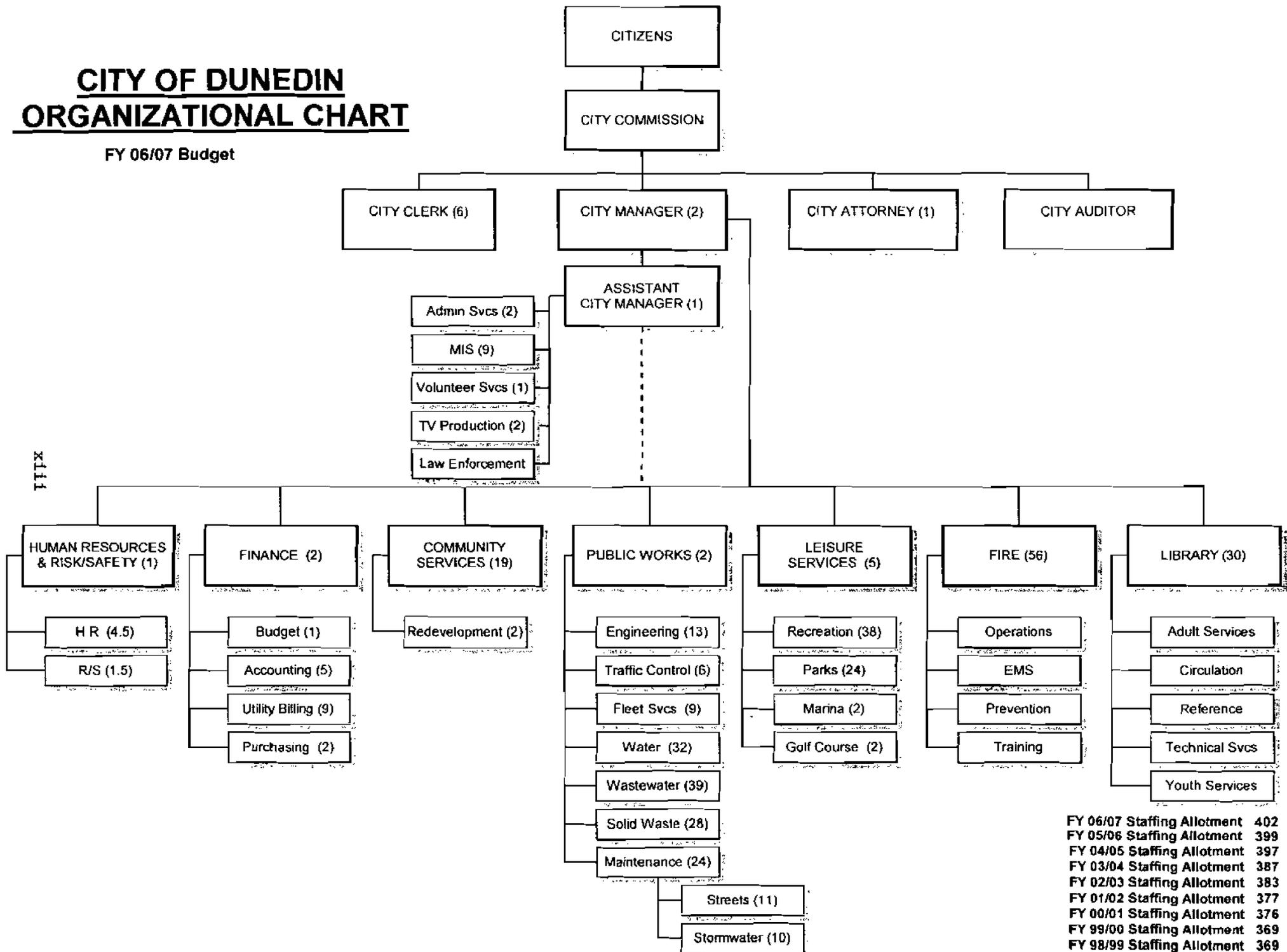


Finance Director

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# CITY OF DUNEDIN ORGANIZATIONAL CHART

FY 06/07 Budget



XIII

FY 06/07 Staffing Allotment	402
FY 05/06 Staffing Allotment	399
FY 04/05 Staffing Allotment	397
FY 03/04 Staffing Allotment	387
FY 02/03 Staffing Allotment	383
FY 01/02 Staffing Allotment	377
FY 00/01 Staffing Allotment	376
FY 99/00 Staffing Allotment	369
FY 98/99 Staffing Allotment	369
FY 97/98 Staffing Allotment	375

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**Davidson, Jamieson & Cristini, P.L.**  
**Certified Public Accountants**

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Dunedin, Florida 34698-2503  
(727)734-5437 or 736-0771  
FAX (727) 733-3487

*Members of the Firm*  
John N. Davidson, CPA\*, CVA  
Harry B. Jamieson, CPA\*  
Richard A. Cristini, CPA\*, CPPT, CGFM

Member  
American Institute of  
Certified Public Accountants  
Florida Institute of  
Certified Public Accountants

\*Regulated by the  
State of Florida

The Honorable Mayor  
and City Commissioners  
City of Dunedin, Florida

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for those major funds, and the aggregate remaining fund information of the City of Dunedin, Florida, as of and for the year ended September 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, 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 of Dunedin, Florida, as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable Mayor  
and City Commission

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2007 on our consideration of the City of Dunedin, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis on pages A-3 through A-15 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of management and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The *accompanying introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *combining and individual nonmajor fund financial statements and schedules* have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The *introductory section and statistical tables* have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Daudson, Jamison & Cristini, P.L.*

January 22, 2007

## 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, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vii – xi of this report.

### Financial Highlights

The City's assets exceeded its liabilities at the close of the most recent fiscal year by \$106,253,893 (*net assets*). Of this amount, \$26,038,477 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net assets increased by \$3,900,444 (3.8%). Net assets supporting governmental activities increased \$4,916,584 (10.4%) and business-type activities net assets decreased \$1,016,140 (1.8%).

On September 30, 2006 the City's governmental funds reported combined ending fund balances of \$20,052,482, a decrease of \$5,395,286. This decrease reflects completion of major construction of the City's new community center.

On September 30, 2006, unallocated and undesignated fund balance for the general fund was \$5,494,201 (21.6%) of total general fund expenditures.

### Overview of Financial Statements

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

#### Government-wide financial statements

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

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

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in 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, reclaimed water, stormwater utility, a marina operation, and a golf course.

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

The government-wide financial statements can be found on pages B-2 and B-3 of this report.

#### Fund financial statements

A *fund* is a grouping of related accounts that is 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 sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the One Cent Sales Tax Fund, both of which are considered to be major funds. Data from the other fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages B-4 – B-9 of this report.

*Proprietary funds.* The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its solid waste, water/sewer utility, reclaimed water, stormwater utility, marina operations, and golf course. *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle maintenance, building maintenance and self-insurance functions. All three services have been allocated between governmental and business-type activities based on contribution rates within the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages B-10 – B-15 of this report.

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

The basic fiduciary fund financial statements can be found on pages B-16 – B-17 of this report.

### Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages C-1 – C-51 of this report.

### Other information

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and fiduciary funds are presented immediately following the Notes to the Financial Statements. Fund statements (combining and individual fund statements) can be found on pages D-1 - D-31 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$106,253,893 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (69.6%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, improvements other than buildings, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Dunedin, Florida's Net Assets  
September 30, 2006 and 2005**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>Assets:</b>						
Current and other assets	\$27,373,456	\$31,980,320	\$12,774,362	\$13,438,655	\$ 40,147,818	\$ 45,418,975
Capital assets	56,252,536	45,182,119	57,560,540	59,002,987	113,813,076	104,185,106
<b>Total assets</b>	<b>83,625,992</b>	<b>77,162,439</b>	<b>70,334,902</b>	<b>72,441,642</b>	<b>153,960,894</b>	<b>149,604,081</b>
<b>Liabilities:</b>						
Current and other liabilities	2,740,780	1,902,668	2,510,630	2,348,560	5,251,410	4,251,228
Long-term liabilities outstanding:						
Due within one year	24,599,841	1,899,994	1,391,934	1,358,666	6,389,347	3,258,660
Due in more than one year	23,683,538	26,072,100	12,382,706	13,668,644	36,066,244	39,740,744
<b>Total liabilities</b>	<b>31,421,731</b>	<b>29,874,762</b>	<b>16,285,270</b>	<b>17,375,870</b>	<b>47,707,001</b>	<b>47,250,632</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	29,656,802	19,580,030	44,330,427	46,477,869	73,987,229	66,057,899
Restricted	1,551,162	11,747,673	4,677,025	4,443,428	6,228,187	16,191,101
Unrestricted	20,996,297	15,959,974	5,042,180	4,144,475	26,038,477	20,104,449
<b>Total net assets</b>	<b>\$ 52,204,261</b>	<b>\$ 47,287,677</b>	<b>\$ 54,049,632</b>	<b>\$ 56,065,772</b>	<b>\$106,253,893</b>	<b>\$ 102,353,449</b>

An additional portion of the City's net assets (5.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$26,038,477 (24.5%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Change in Net Assets**

The following table reflects the *changes in net assets* for the fiscal years ended September 30, 2006 and 2005:

**City of Dunedin, Florida  
Net Assets Change  
September 30, 2006 and 2005**

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for services	\$ 5,514,108	\$ 4,731,225	\$ 21,323,934	\$ 20,188,223	\$ 26,838,042	\$ 24,919,448
Operating grants and contributions	543,267	588,149	0	2,849	543,267	590,998
Capital grants and contributions	1,375,691	3,664,873	316,281	288,127	1,691,972	3,953,000
General revenues:					0	
Property taxes	8,844,774	7,662,303			8,844,774	7,662,303
Other taxes	14,065,359	13,769,345			14,065,359	13,769,345
Grants and contributions not restricted to specific programs	0	21,397			0	21,397
Other	851,661	248,678	332,637	390,224	1,184,298	638,902
<b>Total revenues</b>	<b>31,194,860</b>	<b>30,685,970</b>	<b>21,972,852</b>	<b>20,869,423</b>	<b>53,167,712</b>	<b>51,555,393</b>
<b>Expenses:</b>						
General government	2,489,508	2,177,359			2,489,508	2,177,359
Public safety	11,453,193	11,287,223			11,453,193	11,287,223
Physical environment	650	834			650	834
Transportation	2,125,973	2,258,259			2,125,973	2,258,259
Economic environment	58,935	88,207			58,935	88,207
Culture and recreation	9,009,384	9,559,059			9,009,384	9,559,059
Interest on long-term debt	1,085,875	837,648			1,085,875	837,648
Solid waste			4,619,519	5,156,394	4,619,519	5,156,394
Water/Sewer utility			14,490,880	14,197,584	14,490,880	14,197,584
Reclaimed water			1,622,107	1,478,475	1,622,107	1,478,475
Stormwater utility			1,196,132	1,207,654	1,196,132	1,207,654
Marina			432,949	353,576	432,949	353,576
Golf course			682,164	595,229	682,164	595,229
<b>Total expenses</b>	<b>26,223,518</b>	<b>26,208,589</b>	<b>23,043,750</b>	<b>22,988,912</b>	<b>49,267,268</b>	<b>49,197,501</b>
<b>Increase in net assets before transfers</b>	<b>4,971,342</b>	<b>4,477,381</b>	<b>(1,070,898)</b>	<b>(2,119,489)</b>	<b>3,900,444</b>	<b>2,357,892</b>
<b>Transfers</b>	<b>(54,758)</b>	<b>(561,305)</b>	<b>54,758</b>	<b>561,305</b>	<b>0</b>	<b>0</b>
<b>Increase in net assets</b>	<b>4,916,584</b>	<b>3,916,076</b>	<b>(1,016,140)</b>	<b>(1,558,184)</b>	<b>3,900,444</b>	<b>2,357,892</b>
<b>Net assets October 1</b>	<b>47,287,677</b>	<b>43,371,601</b>	<b>55,065,772</b>	<b>56,623,956</b>	<b>102,353,449</b>	<b>99,995,557</b>
<b>Net assets September 30</b>	<b>\$ 52,204,261</b>	<b>\$ 47,287,677</b>	<b>\$ 54,049,632</b>	<b>\$ 55,065,772</b>	<b>\$ 106,253,893</b>	<b>\$ 102,353,449</b>

The City's total revenues increased \$1,612,319 (3.1%) while total expenses increased \$69,767 (.1%). Applicable to total revenues, property taxes increased \$1,182,471, charges for services increased \$1,918,594 and capital grants and contributions decreased \$2,261,028. As to total expenses, general grants increased \$312,150, public safety increased \$165,970, culture and recreation decreased \$549,675, solid waste decreased \$536,875 and utilities increased \$293,296. The analysis below separately considers the operations of governmental and business-type activities in further detail.

### **Governmental activities**

Total revenues for governmental activities increased \$508,890 (1.7%). The major factors were:

- Capital grants and contributions decreased \$2,289,182 (62.5%) reflecting principal grant funding received for the MLK recreation center in the prior year.
- Property taxes increased by \$1,182,471 (15.4%) during the year primarily due to annexations, new construction and increases in property tax values.
- Charges for services increased \$782,883 (16.5%).

Total expenses increased \$14,929 (.1%), reflecting increases in general government (\$312,150), public safety (\$165,970), interest on debt (\$248,227) offset by a decrease in culture and recreation (\$549,675).

### **Business-type activities.**

Total revenues for business-type activities increased \$1,103,429 (5.3%), primarily in charges for services.

- Solid waste charges for services increased \$269,794, utilities increased \$434,573, and reclaimed water administration and stormwater increased \$318,462 and \$302,304, respectively.
- Total capital grants and contributions for business-type activities increased by \$28,154. Of this total, water/sewer utility impact fees, which are linked directly to new construction, increased \$84,909 during the current fiscal year. Contributions from reclaimed water customers declined \$16,755.

Total expenses for business-type activities increased \$54,838 (.2%). Water and sewer utility expenses and reclaimed water expenses increased \$569,277 and \$124,315 respectively, offset by a decline in solid waste expenses of \$440,682.

### **Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to demonstrate compliance with finance-related legal requirements.

**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, *unreserved fund balance* may serve as a

useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20,052,482, a decrease of \$5,395,286 in comparison with the prior year reflecting completion of the new community center. *Reserved fund balance* indicates resources that are not available for new spending because they have already been committed 1) to liquidate contracts and purchase orders of the prior period (\$36,198), 2) to purchase capital assets (\$423,505), 3) to generate income to pay for future utility costs (\$890,928), 4) to generate income to pay for perpetual care of the municipal cemetery (\$180,369), and 6) for a variety of other restricted purposes (\$219,169). The remainder of the fund balance (\$18,302,313) is *unreserved fund balance*, which is available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$7,283,320, while total fund balance reached was \$8,555,299. As a measure of this fund's liquidity, it may be useful to compare the unallocated and undesignated fund balance to total fund expenditures (including transfers out) which is 21.6%

The fund balance of the City's General Fund increased by \$711,092 (9.1%) during the current fiscal year. Key factors in this increase are as follows:

- Total revenues increased \$2,207,047 (9.3%) with the major impact coming from an increase in property tax revenue of \$1,039,375.

Total expenses increased \$862,819 (3.7%). Increases by function were general government \$353,923, public safety \$192,597, and culture and recreation \$312,160.

The One Cent Sales Tax Fund has a total fund balance of \$5,208,419, an increase during the year of \$1,213,082. The major expenditures this fiscal year from the One Cent Sales Tax Fund were the South Douglas final phase (\$206,474), First Baptist Church (\$600,000) and annual debt service (\$828,684).

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. All of the City's enterprise funds are considered major funds: Solid Waste, Water/Sewer Utility, Reclaimed Water, Stormwater Utility, Marina, and Golf Course.

Unrestricted net assets of the Solid Waste Fund at fiscal year-end amounted to \$563,514, an increase from prior year of \$27,034 (5.0%). Operating expenses decreased \$440,682 (8.5%), primarily reflecting the costs experienced in fiscal year 2005 for contracted hurricane debris removal.

Unrestricted net assets of the Water/Sewer Utility Fund at fiscal year-end amounted to \$2,164,476. Total net assets decreased from the prior year by \$1,302,104 (4.1%). Operating revenues increased \$482,633, while operating expenses increased \$569,277.

Unrestricted net assets of the Reclaimed Water Fund at fiscal year-end amounted to \$1,354,288. Total net assets decreased during the year by \$358,351 (2.3%). Operating revenues increased \$318,471, while operating expenses increased \$124,315 as compared to prior year. Transfers in increased \$352,000.

Unrestricted net assets of the Stormwater Utility Fund at fiscal year-end amounted to \$554,882. The increase in total net assets was \$428,923 (10.8%). Operating revenues increased \$300,921, while operating expenses increased \$12,660.

Unrestricted net assets of the Marina Fund at the end of the year amounted to \$152,235. Total net assets at year-end were \$1,733,574. Revenues increased \$22,056 while expenses increased \$81,213.

The Golf Course Fund ended the year with net assets of \$1,129,608, a slight decrease from prior year of \$28,101. Revenues increased \$88,254 with an increase in operating expenses of \$85,691. Transfers in decreased \$377,317.

### **General Fund Budgetary Highlights**

As detailed on page B-8, actual total revenues exceeded budgetary estimates by \$306,380 (1.2%). Major components of this variance were increases in franchise taxes with \$292,914, charges for services with \$119,481, and investment earnings with \$209,276, offset by a decrease of \$356,904 in utility service taxes. Actual total expenditures were below budgetary estimates by \$87,013 (0.4%).

### **Capital Asset and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2006, amounted to \$113,813,076 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements other than buildings, and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

- The City continued the construction of the new \$9.8 million Community Center. This project was completed on December 1, 2006.
- The City completed design of a new skateboard park at the Martin Luther King, Jr. recreation center. The City anticipates having the approximately \$542,000 park constructed by June, 2007.
- The City began the process of designing various improvements to Edgewater Park, estimated at \$450,000.

**City of Dunedin, Florida's Capital Assets (net of depreciation)  
September 30, 2006 and 2005**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Land	\$ 9,979,515	\$ 6,079,515	\$ 1,378,896	\$ 1,378,896	\$ 11,358,411	\$ 7,458,411
Buildings	19,629,369	20,670,050	5,524,900	6,236,367	25,154,269	26,906,417
Infrastructure	831,250	848,750	-	-	831,250	848,750
Improvements other than buildings	11,714,808	11,067,486	49,320,777	50,366,834	61,035,585	61,434,320
Machinery and equipment	5,451,131	5,354,368	847,734	776,445	6,298,865	6,130,813
Construction in progress	<u>8,646,463</u>	<u>1,161,950</u>	<u>488,233</u>	<u>244,445</u>	<u>9,134,696</u>	<u>1,406,395</u>
Total	<u>\$56,252,536</u>	<u>\$45,182,119</u>	<u>\$57,560,540</u>	<u>\$59,002,987</u>	<u>\$113,813,076</u>	<u>\$104,185,106</u>

Additional information on the City's capital assets can be found in note IV.A.4 on pages C-19 – C-24 of this report.

**Debt.** At the end of the current fiscal year, the City had total debt outstanding of \$37,885,141. Of this amount, there was \$911,361 in capital leases and \$629,795 in special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment. The remainder of the City's debt, \$36,343,985 represented bonds secured by specified revenue sources (i.e., revenue bonds).

**City of Dunedin, Florida's Outstanding Debt  
September 30, 2006 and 2005**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Capital Leases	\$ 911,361	\$ 1,651,020	\$ -	\$ -	\$ 911,361	\$ 1,651,020
Special assessment debt with governmental commitment	133,792	200,688	496,003	566,301	629,795	766,989
Revenue bonds	<u>22,834,373</u>	<u>23,951,069</u>	<u>13,509,612</u>	<u>14,727,981</u>	<u>36,343,985</u>	<u>38,679,050</u>
Total	<u>\$23,879,526</u>	<u>\$25,802,777</u>	<u>\$14,005,615</u>	<u>\$15,294,282</u>	<u>\$37,885,141</u>	<u>\$41,097,059</u>

In the current fiscal year, the City's debt decreased by \$3,211,918 (7.8%), primarily reflecting debt principal payments.

The City's Financial Management Policies provide the following limits for the amount of debt the City may issue:

- The City's overall outstanding ratio of total annual general government debt service exclusive of enterprise fund, internal service fund and special assessment debt service to total annual general government revenue shall not exceed 12.5%; *the City's current ratio is 6.65%.*
- The City's maximum ratio of outstanding capital debt to the property tax base shall not exceed 20%; *the City's current ratio is 1.9%.*
- The City's use of revenue bonds may be 100% of total debt; *the City's current ratio is 95.9%.*

Additional information on the City's long-term debt can be found in note IV.B on pages C-26 – C-38 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the City of Dunedin for December 2006 was 2.6%, a decrease of 1.0% from a year ago. The rate for Pinellas County for December 2006 was 2.8%.
- The City is substantially built out thereby minimizing any major growth impacts.

These factors were considered in preparing the City's budget for fiscal year 2007.

The City's elected and appointed officials considered many factors when setting the fiscal year 2006-07 budget, including tax rates and fees that will be charged for the business-type activities.

As a result of the rate study completed in fiscal year 2006 for the Water and Sewer Fund, an additional 5.15% rate increase will occur in fiscal 2007, over the previously approved increase.

Current property tax revenues are based on the current millage rate of 4.425. This rate is 17.3% less than it was in fiscal year 1994-5 when it was 5.350 mills. Property tax revenues, franchise fees, utility taxes and available cash reserves will be used to fund the current programs in fiscal year 2007.

### **Request for Information**

This financial report is designed to provide a general overview of the City of Dunedin, Florida's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to M. Earl Sanders, CPA, Finance Director, City of Dunedin, 750 Milwaukee Avenue, Dunedin, Florida, 34698. The report is also available on the City's website at [Dunedingov.com](http://Dunedingov.com).

# **Basic Financial Statements**

City of Dunedin, Florida  
Statement of Net Assets  
September 30, 2006

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 25,369,410	\$ 3,468,272	\$ 28,837,682
Receivables, net of allowance for doubtful accounts	633,666	2,539,677	3,173,343
Internal balances	(422,930)	422,930	-
Due from other governments	1,034,168	58,945	1,093,113
Inventories	98,205	701,979	800,184
Prepaid items	20,046	4,293	24,339
Accrued interest receivable	122,504	28,612	151,116
Deposits	40,650	650	41,300
Advances to other funds	162,809	-	162,809
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	313,410	1,965,648	2,279,058
Interest receivable	1,518	-	1,518
Charges receivable	-	3,369,432	3,369,432
Deferred charges	-	213,924	213,924
Capital assets, net of accumulated depreciation			
Land	9,979,515	1,378,896	11,358,411
Buildings	19,629,369	5,524,900	25,154,269
Infrastructure	831,250	-	831,250
Improvements other than buildings	11,714,808	49,320,777	61,035,585
Machinery and equipment	5,451,131	847,734	6,298,865
Construction in progress	8,646,463	488,233	9,134,696
Total assets	<u>\$ 83,625,992</u>	<u>\$ 70,334,902</u>	<u>\$ 153,960,894</u>
<b><u>LIABILITIES</u></b>			
Accounts payable and other current liabilities	\$ 2,135,416	\$ 746,963	\$ 2,882,379
Accrued interest payable	360,697	336,914	697,611
Deferred revenue	164,258	-	164,258
Due to other governments	80,409	-	80,409
Due to other funds	-	161,410	161,410
Liabilities payable from restricted assets	-	1,265,343	1,265,343
Noncurrent liabilities:			
Due within one year	4,997,413	1,391,934	6,389,347
Due in more than one year	23,683,538	12,382,706	36,066,244
Total liabilities	<u>31,421,731</u>	<u>16,285,270</u>	<u>47,707,001</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	29,656,802	44,330,427	73,987,229
Restricted for:			
Public safety programs	56,360	-	56,360
Capital asset replacement	423,505	1,163,484	1,586,989
Street lights	890,928	-	890,928
Debt service	314,928	3,513,541	3,828,469
Perpetual care	180,369	-	180,369
Unrestricted	20,681,369	5,042,180	25,723,549
Total net assets	<u>\$ 52,204,261</u>	<u>\$ 54,049,632</u>	<u>\$ 106,253,893</u>

City of Dunedin, Florida  
Statement of Activities  
For the Fiscal Year Ended September 30, 2006

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
<b>Governmental activities:</b>							
General government	\$ 2,489,508	\$ -	\$ -	\$ -	\$ (2,489,508)	\$ -	\$ (2,489,508)
Public safety	11,453,193	2,837,017	58,431	26,825	(8,530,920)	-	(8,530,920)
Physical environment	650	-	-	-	(650)	-	(650)
Transportation	2,125,973	-	101,884	453,711	(1,570,378)	-	(1,570,378)
Economic environment	58,935	130,241	43,678	-	114,984	-	114,984
Culture and recreation	9,009,384	2,546,850	339,274	895,155	(5,228,105)	-	(5,228,105)
Interest on long-term debt	1,085,875	-	-	-	(1,085,875)	-	(1,085,875)
<b>Total governmental activities</b>	<b>26,223,518</b>	<b>5,514,108</b>	<b>543,267</b>	<b>1,375,691</b>	<b>(18,790,452)</b>	<b>-</b>	<b>(18,790,452)</b>
<b>Business-type activities:</b>							
Solid waste	4,819,519	4,680,412	-	-	-	60,893	60,893
Water/Sewer utility	14,490,880	13,371,989	-	202,836	-	(916,055)	(916,055)
Reclaimed water	1,622,107	663,878	-	113,445	-	(844,784)	(844,784)
Stormwater utility	1,196,132	1,628,155	-	-	-	432,023	432,023
Marina	432,949	409,465	-	-	-	(23,484)	(23,484)
Golf course	682,184	570,035	-	-	-	(112,129)	(112,129)
<b>Total business-type activities</b>	<b>23,043,750</b>	<b>21,323,934</b>	<b>-</b>	<b>316,281</b>	<b>-</b>	<b>(1,403,535)</b>	<b>(1,403,535)</b>
<b>Total primary government</b>	<b>\$ 49,267,268</b>	<b>\$ 26,838,042</b>	<b>\$ 543,267</b>	<b>\$ 1,691,972</b>	<b>(18,790,452)</b>	<b>(1,403,535)</b>	<b>(20,193,987)</b>
Property taxes					8,844,774	-	8,844,774
Utility service taxes					4,253,827	-	4,253,827
Infrastructure sales surtax					3,603,251	-	3,603,251
Half cent sales tax					2,178,564	-	2,178,564
Franchise taxes					2,618,432	-	2,618,432
State revenue sharing					1,411,285	-	1,411,285
Unrestricted investment earnings					825,776	332,637	1,158,413
Loss on sale of capital assets					25,885	-	25,885
Transfers					(54,758)	54,758	-
<b>Total general revenues and transfers</b>					<b>23,707,036</b>	<b>387,395</b>	<b>24,094,431</b>
<b>Change in net assets</b>					<b>4,916,584</b>	<b>(1,016,140)</b>	<b>3,900,444</b>
Net Assets - beginning					47,287,677	55,065,772	102,353,449
<b>Net - Assets - ending</b>					<b>\$ 52,204,261</b>	<b>\$ 54,049,632</b>	<b>\$ 106,253,893</b>

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The accompanying notes are an integral part of these financial statements

City of Dunedin, Florida  
 Balance Sheet for Governmental Funds  
 September 30, 2006

	General Fund	One Cent Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,935,342	\$ 4,721,909	\$ 7,400,162	\$ 20,057,413
Accounts receivable, net of allowance for doubtful accounts	526,891	-	32,668	559,559
Due from other governments	422,860	583,578	27,730	1,034,168
Inventories	3,244	-	-	3,244
Prepaid items	19,364	-	682	20,046
Accrued interest receivable	38,448	23,086	35,170	96,704
Deposits	150	-	500	650
Advances to other funds	108,227	-	54,582	162,809
Restricted assets				
Temporarily restricted:				
Cash and cash equivalents	-	-	313,410	313,410
Accrued interest receivable	-	-	1,518	1,518
Total assets	<u>\$ 9,054,526</u>	<u>\$ 5,328,573</u>	<u>\$ 7,940,529</u>	<u>\$ 22,323,628</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 151,289	\$ 33,959	\$ 997,735	\$ 1,182,983
Contracts payable	-	86,195	499,458	585,653
Accrued salaries payable	133,568	-	-	133,568
Deposits payable	3,135	-	1,000	4,135
Deferred revenue	90,151	-	-	90,151
Due to other governments	944	-	153,572	154,516
Other current liabilities	120,140	-	-	120,140
Total liabilities	<u>499,227</u>	<u>120,154</u>	<u>1,651,765</u>	<u>2,271,146</u>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	36,198	-	-	36,198
Advances	108,227	-	54,582	162,809
Public safety programs	56,257	-	103	56,360
Capital projects	-	-	423,505	423,505
Street lights	890,928	-	-	890,928
Perpetual care nonexpendable	180,369	-	-	180,369
Unreserved, reported in:				
General fund	7,283,320	-	-	7,283,320
One cent sales tax fund	-	5,208,419	-	5,208,419
Special revenue funds	-	-	2,265,070	2,265,070
Capital projects funds	-	-	3,545,504	3,545,504
Total fund balances	<u>8,555,299</u>	<u>5,208,419</u>	<u>6,288,764</u>	<u>20,052,482</u>
<b>Total liabilities and fund balances</b>	<u>\$ 9,054,526</u>	<u>\$ 5,328,573</u>	<u>\$ 7,940,529</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	51,673,777
Internal service funds are used by management to charge the costs of fleet and facility management and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	7,735,321
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(27,257,319)
Net assets of governmental activities	<u>\$ 52,204,261</u>

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

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City of Dunedin, Florida  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended September 30, 2006**

	<u>General Fund</u>	<u>One Cent Sales Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 8,355,697	\$ -	\$ 489,077	\$ 8,844,774
Franchise	2,618,432	-	-	2,618,432
Utility service	4,253,827	-	-	4,253,827
Licenses and permits	840,240	-	-	840,240
Intergovernmental	4,083,660	3,603,251	1,137,845	8,824,756
Charges for services	4,775,964	-	290,545	5,066,509
Fines	229,994	-	-	229,994
Investment earnings	377,431	195,983	495,764	1,069,178
Rents	323,840	-	-	323,840
Contributions and donations	-	-	21,974	21,974
Other revenue	153,837	-	389,869	543,706
<b>Total revenues</b>	<u>26,012,922</u>	<u>3,799,234</u>	<u>2,825,074</u>	<u>32,637,230</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,580,832	-	18,075	3,598,907
Public safety	10,705,255	-	36,235	10,741,490
Physical environment	-	-	650	650
Transportation	1,905,992	-	-	1,905,992
Economic environment	-	-	58,935	58,935
Culture and recreation	7,700,058	-	320,579	8,020,637
Debt service:				
Principal	4,349	458,883	1,789,754	2,252,986
Interest	1,782	369,801	566,016	937,599
Capital outlay:				
General government	-	15,293	373,074	388,367
Public safety	-	1,043,137	121,956	1,165,093
Physical environment	-	-	-	-
Transportation	-	19,580	263,084	282,664
Economic environment	-	-	4,024,553	4,024,553
Culture and recreation	-	58,665	8,010,885	8,069,550
Aids and grants	80,000	-	-	80,000
<b>Total expenditures</b>	<u>23,978,268</u>	<u>1,965,359</u>	<u>15,583,796</u>	<u>41,527,423</u>
Excess of revenues over (under) expenditures	<u>2,034,654</u>	<u>1,833,875</u>	<u>(12,758,722)</u>	<u>(8,890,193)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	-	-	3,900,000	3,900,000
Transfers in	125,000	213,375	1,954,554	2,292,929
Transfers out	(1,448,562)	(834,168)	(415,292)	(2,698,022)
<b>Total other financing sources (uses)</b>	<u>(1,323,562)</u>	<u>(620,793)</u>	<u>5,439,262</u>	<u>3,494,907</u>
Net change in fund balances	711,092	1,213,082	(7,319,460)	(5,395,286)
Fund balances - beginning	<u>7,844,207</u>	<u>3,995,337</u>	<u>13,608,224</u>	<u>25,447,768</u>
Fund balances - ending	<u>\$ 8,555,299</u>	<u>\$ 5,208,419</u>	<u>\$ 6,288,764</u>	<u>\$ 20,052,482</u>

**City of Dunedin, Florida**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended September 30, 2006**

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

Net change in fund balances - total governmental funds (page B-6) \$ (5,395,286)

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

Expenditures for capital assets	14,675,909	
Less current year depreciation	<u>(3,549,817)</u>	11,126,092

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

Additions to long-term debt	(3,900,000)	
Principal payments	<u>2,252,986</u>	(1,647,014)

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	137,789	
Change in accrued interest expense	<u>(136,194)</u>	1,595

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.

831,197

Change in net assets of governmental activities (page B-3)		<u><u>\$ 4,916,584</u></u>
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The accompanying notes are an integral part of these financial statements

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 8,487,315	\$ 8,487,315	\$ 8,355,697	\$ (131,618)
Franchise	2,325,518	2,325,518	2,618,432	292,914
Utility service	4,610,731	4,610,731	4,253,827	(356,904)
Licenses and permits	837,528	837,528	840,240	2,712
Intergovernmental	3,934,135	3,934,135	4,083,660	149,525
Charges for services	4,656,483	4,656,483	4,775,964	119,481
Fines	221,925	221,825	229,994	8,169
Investment earnings	168,155	168,155	377,431	209,276
Rents	384,352	384,352	323,840	(60,512)
Other revenue	80,500	80,500	153,837	73,337
Total revenues	25,706,542	25,706,542	26,012,922	306,380
<b>EXPENDITURES</b>				
Current				
General government:				
City commission	201,053	201,053	301,802	(100,749)
City manager	267,935	267,935	221,214	46,721
Legal	150,129	150,129	165,976	(15,847)
City clerk	401,866	401,866	370,511	31,355
Finance	749,380	749,380	742,764	6,616
Administration	1,745,338	1,745,338	1,778,565	(33,227)
Total general government	3,515,701	3,515,701	3,580,832	(65,131)
Public safety:				
Law enforcement	3,584,141	3,584,141	3,581,847	2,294
Fire control	5,941,840	5,941,840	5,728,182	213,658
Community services	1,479,887	1,479,887	1,395,226	84,661
Total public safety	11,005,868	11,005,868	10,705,255	300,613
Transportation				
Traffic control	1,047,758	1,047,758	923,096	124,662
Streets	982,331	982,331	982,896	(565)
Total transportation	2,030,089	2,030,089	1,905,992	124,097
Culture and recreation:				
Library	2,147,363	2,187,383	2,104,357	83,006
Leisure services administration	435,454	435,454	467,150	(31,696)
Recreation	2,887,378	2,887,378	3,045,300	(157,922)
Parks	1,923,428	1,923,428	2,083,251	(159,823)
Total culture and recreation	7,393,623	7,433,623	7,700,058	(266,435)
Debt service:				
Principal	-	-	4,349	(4,349)
Interest	-	-	1,782	(1,782)
Total debt service	-	-	6,131	(6,131)
Aids and grants	80,000	80,000	80,000	-
Total expenditures	24,025,281	24,065,281	23,978,268	87,013
Excess of revenues over (under) expenditures	1,681,261	1,641,261	2,034,654	393,393
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	125,000	125,000	125,000	-
Transfers out	(1,448,562)	(1,448,562)	(1,448,562)	-
Total other financing uses	(1,323,562)	(1,323,562)	(1,323,562)	-
Net change in fund balances	357,899	317,899	711,092	393,393
Fund balances - beginning	7,844,207	7,844,207	7,844,207	-
Fund balances - ending	\$ 8,201,906	\$ 8,161,906	\$ 8,555,299	\$ 393,393

The accompanying notes are an integral part of these financial statements

**City of Dunedin, Florida**  
**One Cent Sales Tax Fund**  
**Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget to Actual**  
**For the Fiscal Year Ended September 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental revenues:				
Infrastructure sales surtax	\$ 3,075,000	\$ 3,075,000	\$ 3,603,251	\$ 528,251
Miscellaneous revenues:				
Interest earnings	94,213	94,213	195,983	101,770
Total revenues	<u>3,169,213</u>	<u>3,169,213</u>	<u>3,799,234</u>	<u>630,021</u>
<b><u>EXPENDITURES</u></b>				
Capital projects:				
General government	100,000	100,000	15,293	84,707
Public Safety	1,737,000	1,737,000	1,043,137	693,863
Transportation	50,000	50,000	19,580	30,420
Culture and recreation	300,000	300,000	58,665	241,335
Debt service				
Principal	-	-	458,883	(458,883)
Interest	403,455	403,455	369,801	33,654
Total expenditures	<u>2,590,455</u>	<u>2,590,455</u>	<u>1,965,359</u>	<u>625,096</u>
Excess of revenues over expenditures	<u>578,758</u>	<u>578,758</u>	<u>1,833,875</u>	<u>1,255,117</u>
<b><u>OTHER FINANCING SOURCES / (USES)</u></b>				
Transfers in	63,375	213,375	213,375	-
Transfers out	(120,000)	(600,000)	(834,168)	(234,168)
Total other financing uses	<u>(56,625)</u>	<u>(386,625)</u>	<u>(620,793)</u>	<u>(234,168)</u>
Net change in fund balances	522,133	192,133	1,213,082	1,020,949
Fund balances - beginning	<u>3,995,337</u>	<u>3,995,337</u>	<u>3,995,337</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,517,470</u>	<u>\$ 4,187,470</u>	<u>\$ 5,208,419</u>	<u>\$ 1,020,949</u>

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

City of Dunedin, Florida  
Statement of Net Assets  
Proprietary Funds  
September 30, 2006

		Business-type Activities - Enterprise Funds						Internal	
		Solid Waste	Water/Sewer Utility	Reclaimed Water	Stormwater Utility	Marina	Golf Course	Total	Service Funds
<b>ASSETS</b>									
Current assets:									
	Cash and cash equivalents	\$ 236,096	\$ 954,705	\$ 1,243,061	\$ 380,872	\$ 652,050	\$ 1,468	\$ 3,468,272	\$ 5,311,997
	Accounts receivable, net of allowance for uncollectibles	644,186	1,329,891	70,796	255,184	9,581	709	2,310,347	-
	Assessments/liens receivable, net of allowance for uncollectibles	13,760	215,570	-	-	-	-	229,330	-
	Due from other governments	28,153	30,792	-	-	-	-	58,945	-
	Inventories	-	626,327	60,034	-	-	15,618	701,979	94,961
	Prepaid items	-	3,311	-	-	-	982	4,293	-
	Interest receivable	1,140	16,314	6,063	1,919	3,186	(10)	28,612	25,800
	Deposits	-	-	-	-	-	650	650	40,000
	<b>Total current assets</b>	<b>923,335</b>	<b>3,176,810</b>	<b>1,379,974</b>	<b>637,975</b>	<b>664,817</b>	<b>19,417</b>	<b>6,802,428</b>	<b>5,472,758</b>
Noncurrent assets:									
B-10	Restricted cash, cash equivalents, and investments:								
	Customer deposits	-	1,169,352	-	-	-	-	1,169,352	-
	Impact fees	-	796,296	-	-	-	-	796,296	-
	Charges receivable	-	-	3,369,432	-	-	-	3,369,432	-
	<b>Total restricted assets</b>	<b>-</b>	<b>1,965,648</b>	<b>3,369,432</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,335,080</b>	<b>-</b>
	Deferred charges	-	199,104	8,100	6,720	-	-	213,924	-
	Capital assets:								
	Land	-	305,364	-	-	-	1,073,532	1,378,896	-
	Buildings	333,053	15,538,893	-	2,000	36,589	92,473	16,003,008	1,437,900
	Improvements other than buildings	5,837	63,875,134	20,607,068	5,832,344	1,949,553	183,212	92,453,148	4,744
Machinery and equipment	779,842	1,477,802	118,812	89,880	6,313	23,148	2,505,777	10,154,378	
Construction in progress	-	46,151	33,541	381,567	-	26,874	488,233	31,695	
Less accumulated depreciation	(805,531)	(42,858,293)	(8,543,954)	(2,111,832)	(849,326)	(99,586)	(55,268,522)	(7,049,958)	
<b>Total capital assets, net of accumulated depreciation</b>	<b>313,201</b>	<b>38,385,051</b>	<b>12,215,467</b>	<b>4,203,939</b>	<b>1,143,129</b>	<b>1,299,753</b>	<b>57,560,540</b>	<b>4,578,759</b>	
<b>Total noncurrent assets</b>	<b>313,201</b>	<b>40,549,803</b>	<b>15,592,999</b>	<b>4,210,659</b>	<b>1,143,129</b>	<b>1,299,753</b>	<b>63,109,544</b>	<b>4,578,759</b>	
<b>Total assets</b>	<b>\$ 1,236,536</b>	<b>\$ 43,726,713</b>	<b>\$ 16,972,973</b>	<b>\$ 4,848,634</b>	<b>\$ 1,807,946</b>	<b>\$ 1,319,170</b>	<b>\$ 69,911,972</b>	<b>\$ 10,051,517</b>	

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

City of Dunedin, Florida  
Statement of Net Assets  
Proprietary Funds  
September 30, 2006  
(continued)

	Business-type Activities - Enterprise Funds							Internal Service Funds
	Solid Waste	Water/Sewer Utility	Reclaimed Water	Stormwater Utility	Marina	Golf Course	Total	
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable	\$ 130,032	\$ 368,450	\$ 18,653	\$ 67,704	\$ 4,978	\$ 19,738	\$ 609,755	\$ 90,890
Contracts payable	-	51,029	4,072	-	-	1,266	56,367	-
Accrued salaries payable	13,280	57,927	1,790	4,015	1,289	2,540	80,841	18,047
Accrued interest payable	-	-	-	-	-	-	-	25,258
Capital leases payable - current	-	-	-	-	-	-	-	590,573
Advances from other funds	-	-	-	-	-	161,410	161,410	-
Total current liabilities	143,312	477,406	24,715	71,719	6,267	184,984	908,373	724,768
Current liabilities payable from restricted assets:								
Revenue bonds payable	-	1,103,421	253,388	35,145	-	-	1,391,934	-
Accrued interest payable	-	302,017	25,200	9,697	-	-	336,914	-
Customer deposits payable	-	1,178,245	-	-	60,045	-	1,238,290	-
Deposits payable	-	11,100	15,953	-	-	-	27,053	-
Total current liabilities payable from restricted assets	-	2,594,763	294,521	44,842	60,045	-	2,994,191	-
Noncurrent liabilities:								
Revenue bonds payable, net of amortized discounts and deferred amount on refunding	-	9,664,679	1,521,244	315,342	-	-	11,501,265	-
Capital leases payable	-	-	-	-	-	-	-	293,289
Compensated absences	216,509	621,398	12,772	18,094	8,060	4,608	881,441	269,985
Claims liabilities	-	-	-	-	-	-	-	605,224
Total noncurrent liabilities	216,509	10,286,077	1,534,016	333,436	8,060	4,608	12,382,706	1,168,498
Total liabilities	359,821	13,358,266	1,853,252	449,997	74,372	189,562	16,265,270	1,893,266
<b>NET ASSETS</b>								
Invested in capital assets, net of related debt	313,201	27,314,934	10,415,655	3,843,755	1,143,129	1,289,753	44,330,427	4,285,470
Restricted for capital assets	-	725,274	-	-	438,210	-	1,163,484	-
Restricted for debt service	-	163,763	3,349,778	-	-	-	3,513,541	-
Unrestricted	563,514	2,164,476	1,354,288	554,882	152,235	(170,145)	4,619,250	3,872,781
Total net assets	\$ 876,715	\$ 30,368,447	\$ 15,119,721	\$ 4,398,637	\$ 1,733,574	\$ 1,129,608	\$ 53,626,702	\$ 8,158,251
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							422,930	
Net assets of business-type activities							\$ 54,049,632	

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

City of Dunedin, Florida  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2006

**Business-type Activities - Enterprise Funds**

	Solid Waste	Water/Sewer Utility	Reclaimed Water	Stormwater Utility	Marina	Golf Course	Total	Internal Service Funds
<b>Operating revenues:</b>								
Charges for services	\$ 4,554,479	\$ 13,079,152	\$ 663,869	\$ 1,628,145	\$ -	\$ 563,182	\$ 20,488,827	\$ 6,782,088
Other operating revenue	125,933	292,837	9	10	409,465	6,853	835,107	220,103
<b>Total operating revenues</b>	<b>4,680,412</b>	<b>13,371,989</b>	<b>663,878</b>	<b>1,628,155</b>	<b>409,465</b>	<b>570,035</b>	<b>21,323,934</b>	<b>7,002,191</b>
<b>Operating expenses:</b>								
Personal services	1,374,085	5,119,368	234,459	356,473	132,400	243,841	7,460,626	1,671,517
Supplies and services	3,248,980	5,712,332	290,432	632,748	117,108	428,724	10,430,324	3,712,723
Depreciation	138,516	3,227,881	1,045,356	212,314	189,688	21,247	4,835,002	1,085,315
<b>Total operating expenses</b>	<b>4,761,581</b>	<b>14,059,581</b>	<b>1,570,247</b>	<b>1,201,535</b>	<b>439,196</b>	<b>693,812</b>	<b>22,725,952</b>	<b>6,469,555</b>
Operating income (loss)	(81,169)	(687,592)	(906,369)	426,620	(29,731)	(123,777)	(1,402,018)	532,636
<b>Nonoperating revenues (expenses):</b>								
Investment earnings	12,509	219,880	49,758	20,425	27,379	2,688	332,637	248,928
Interest/amortization expense	-	(555,998)	(58,183)	(18,122)	-	-	(632,303)	(12,082)
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	25,885
<b>Total nonoperating revenues (expenses)</b>	<b>12,509</b>	<b>(336,118)</b>	<b>(8,427)</b>	<b>2,303</b>	<b>27,379</b>	<b>2,688</b>	<b>(299,666)</b>	<b>262,731</b>
<b>Income before contributions and transfers</b>	<b>(68,660)</b>	<b>(1,023,710)</b>	<b>(914,796)</b>	<b>428,923</b>	<b>(2,352)</b>	<b>(121,089)</b>	<b>(1,701,684)</b>	<b>795,367</b>
Contributions - special assessments/charges	-	-	113,445	-	-	-	113,445	-
Contributions - impact fees	-	202,836	-	-	-	-	202,836	-
Transfers in / (out)	-	(481,230)	443,000	-	-	92,988	54,758	355,685
Transfers out	-	-	-	-	-	-	-	(5,350)
<b>Change in net assets</b>	<b>(68,660)</b>	<b>(1,302,104)</b>	<b>(358,351)</b>	<b>428,923</b>	<b>(2,352)</b>	<b>(28,101)</b>	<b>(1,330,645)</b>	<b>1,145,702</b>
<b>Total net assets - beginning</b>	<b>945,375</b>	<b>31,670,551</b>	<b>15,478,072</b>	<b>3,969,714</b>	<b>1,735,926</b>	<b>1,157,709</b>		<b>7,012,549</b>
<b>Total net assets - ending</b>	<b>\$ 876,715</b>	<b>\$ 30,368,447</b>	<b>\$ 15,119,721</b>	<b>\$ 4,398,637</b>	<b>\$ 1,733,574</b>	<b>\$ 1,129,608</b>		<b>\$ 8,158,251</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							314,505	
<b>Change in net assets of business-type activities (page B-3)</b>							<b>\$ (1,016,140)</b>	

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

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City of Dunedin, Florida  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2006

**Business-type Activities - Enterprise Funds**

	<u>Solid Waste</u>	<u>Water/Sewer Utility</u>	<u>Reclaimed Water</u>	<u>Stormwater Utility</u>	<u>Marina</u>	<u>Golf Course</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 4,513,242	\$ 13,121,880	\$ 823,765	\$ 1,595,589	\$ 8,350	\$ 563,195	\$ 20,626,021	\$ 6,872,700
Payments to suppliers	(3,241,664)	(5,797,935)	(300,451)	(605,139)	(120,509)	(427,000)	(10,492,698)	(3,908,799)
Payments to employees	(1,409,710)	(5,120,419)	(232,253)	(361,845)	(129,899)	(243,420)	(7,497,546)	(1,663,778)
Other operating revenues	125,933	292,837	9	10	409,465	8,853	835,107	220,103
Net cash provided by (used in) operating activities	<u>(12,199)</u>	<u>2,496,363</u>	<u>291,070</u>	<u>628,615</u>	<u>167,407</u>	<u>(100,372)</u>	<u>3,470,884</u>	<u>1,520,226</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfers in	-	(481,230)	443,000	-	-	92,988	54,758	355,685
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>(481,230)</u>	<u>443,000</u>	<u>-</u>	<u>-</u>	<u>92,988</u>	<u>54,758</u>	<u>350,335</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Purchase of capital assets	(42,822)	(2,458,011)	(125,270)	(644,184)	-	(122,268)	(3,392,555)	(1,029,914)
Principal paid on capital debt	-	(938,621)	(253,369)	(29,625)	-	-	(1,221,615)	(719,988)
Interest paid on capital debt	-	(577,074)	(32,983)	(18,803)	-	-	(628,860)	(47,657)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	25,885
Capital contributions from private sources	-	202,836	113,445	-	-	-	316,281	-
Net cash used for capital and related financing activities	<u>(42,822)</u>	<u>(3,770,870)</u>	<u>(298,177)</u>	<u>(692,612)</u>	<u>-</u>	<u>(122,268)</u>	<u>(4,926,749)</u>	<u>(1,771,674)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Investment earnings	12,087	215,183	45,680	19,620	25,386	3,033	320,989	236,119
Net cash provided by investing activities	<u>12,087</u>	<u>215,183</u>	<u>45,680</u>	<u>19,620</u>	<u>25,386</u>	<u>3,033</u>	<u>320,989</u>	<u>236,119</u>
Net increase (decrease) in cash and cash equivalents	(42,934)	(1,540,554)	481,573	(44,377)	192,793	(128,619)	(1,080,116)	335,006
Cash and cash equivalents - October 1	279,030	4,460,907	761,508	425,249	459,257	128,087	6,514,036	4,976,991
Cash and cash equivalents - September 30	<u>\$ 236,096</u>	<u>\$ 2,920,353</u>	<u>\$ 1,243,081</u>	<u>\$ 380,872</u>	<u>\$ 652,050</u>	<u>\$ 1,468</u>	<u>\$ 5,433,920</u>	<u>\$ 5,311,997</u>

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

City of Dunedin, Florida  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2006

**Business-type Activities - Enterprise Funds**

	<u>Solid Waste</u>	<u>Water/Sewer Utility</u>	<u>Reclaimed Water</u>	<u>Stormwater Utility</u>	<u>Marina</u>	<u>Golf Course</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>								
Operating income (loss)	\$ (81,169)	\$ (687,592)	\$ (906,369)	\$ 426,620	\$ (29,731)	\$ (123,777)	\$ (1,402,016)	\$ 532,836
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation	138,516	3,227,861	1,045,356	212,314	189,688	21,247	4,835,002	1,085,315
(Increase) decrease in								
Accounts receivable	(33,095)	(995)	159,896	(34,488)	(2,556)	13	88,775	-
Decrease in due from other governments	-	-	-	-	-	-	-	90,612
Inventories	-	(181,391)	(18,149)	-	-	(3,426)	(202,966)	(8,755)
Due from other governments	(8,142)	5,391	-	1,932	-	-	(819)	-
Prepaid items	-	523	-	69	-	(982)	(390)	184
Deferred charges	-	24,888	-	840	-	-	25,728	-
Increase (decrease) in								
Accounts payable	7,316	70,377	8,130	26,700	(3,401)	6,132	115,254	(100,276)
Accrued expenses	(7,551)	2,163	97	(597)	69	(46)	(5,865)	616
Deposits	-	38,332	-	-	10,906	-	49,238	-
Due to other funds	-	-	-	-	-	-	-	(87,229)
Compensated absences	(28,074)	(3,214)	2,109	(4,775)	2,432	467	(31,055)	7,123
Total adjustments	<u>68,970</u>	<u>3,183,955</u>	<u>1,197,439</u>	<u>201,995</u>	<u>197,138</u>	<u>23,405</u>	<u>4,872,902</u>	<u>987,590</u>
Net cash provided by (used in) operating activities	<u>\$ (12,199)</u>	<u>\$ 2,496,363</u>	<u>\$ 291,070</u>	<u>\$ 628,615</u>	<u>\$ 167,407</u>	<u>\$ (100,372)</u>	<u>\$ 3,470,884</u>	<u>\$ 1,520,226</u>

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

City of Dunedin, Florida  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
September 30, 2006

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	<u>Pension Plans</u>
<b>ASSETS</b>	
Investments	\$ 18,406,587
Due from other governments	45,988
Prepaid items	793
Accrued interest/dividends receivable	216,709
Total assets	<u>18,670,077</u>
<b>LIABILITIES</b>	
Accounts payable	<u>215,727</u>
Total liabilities	<u>215,727</u>
<b>NET ASSETS</b>	
Held in trust for pension benefits	<u>\$ 18,454,350</u>

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

**City of Dunedin, Florida**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**September 30, 2006**

	<b>Pension Plans</b>
<b>ADDITIONS:</b>	
Contributions	
Employer	\$ 1,189,598
Plan members	143,030
Total contributions	1,332,628
Investment earnings	
Net appreciation in fair value of investments	625,733
Interest	294,455
Dividends	212,668
Total investment earnings	1,132,856
Less investment expenses	(144,352)
Net investment earnings	988,504
Miscellaneous revenue	208,084
Total additions	2,529,216
<b>DEDUCTIONS:</b>	
Benefits	944,237
Administrative expenses	109,814
Total deductions	1,054,051
Change in net assets	1,475,165
Net assets - beginning	16,979,185
Net assets - ending	\$ 18,454,350

The accompanying notes are an integral part of these financial statements

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**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE I. SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES**

The City of Dunedin, Florida (the "City"), which was founded on June 1, 1899, and incorporated under Chapter 4877, Acts of 1899 of the State of Florida, has a population of approximately 37,000 (which includes seasonal residents) living within an area approximating 10 square miles. The City is contiguous to the northern side of Clearwater, Florida. The City operates under a Charter originally adopted January 6, 1926, and a Commission-Manager form of government. The most recent revision to the City's Charter was on April 18, 1996.

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

**A. REPORTING ENTITY**

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

**1. Community Redevelopment Agency (CRA):**

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

**2. Firefighters' Pension Fund:**

The City's firefighters participate in a separate Firefighters' Pension Plan. The Plan functions for the benefit of these employees and is governed by a five member pension board. The pension board is composed of two employees, two City residents, and a fifth member elected by the other four members. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels. The Plan is legally separate, but blended as a fiduciary fund type component unit into the primary government.

Complete financial statements of the above individual component units can be obtained from: Earl "Sandy" Sanders, CPA, Finance Director, City of Dunedin, 750 Milwaukee Avenue, Dunedin, Florida 34698.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE 1. SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

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

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE I. SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

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

The City reports the following major funds:

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

The *One Cent Sales Tax Fund* accounts for the costs of infrastructure having a life expectancy of five (5) or more years and is funded by proceeds from the one-cent sales surtax approved by Pinellas County, Florida voters.

The *Solid Waste Fund* accounts for the provision of solid waste services to the residents of the City. All activities necessary to the provisions of this service are accounted for in this fund.

The *Water/Sewer Utility Fund* accounts for the provision of water and sewer services to residents of the City, and some County residents. All activities necessary to the provision of these services are accounted for in this fund, including, but not limited to, administration, treatment plants and line maintenance.

The *Reclaimed Water Fund* accounts for the provision of services for the collection, treatment, storage, and conveyance of reclaimed water.

The *Stormwater Utility Fund* 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* accounts for the financing, operation and maintenance of the City marina and the associated real property.

The *Golf Course Fund* accounts for the financing, operation and maintenance of the City's golf course.

Additionally, the City reports the following fund types:

The *Internal Service Funds* account for building maintenance, vehicle maintenance and self insurance (risk management) provided to other departments of the City on a cost reimbursement basis.

The *Pension Trust Funds* account for the activities of the Firefighters' Retirement Plan and the Employees Defined Contribution Plan, which accumulates resources for pension benefit payments to firefighters and non-special risk employees hired after December 31, 1995.

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

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE I. SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

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

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 includes all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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, reclaimed water, stormwater utility, marina, and golf course enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition, such as water/sewer utility fund impact fees, are reported as nonoperating revenues and expenses.

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

**D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

**1. Deposits and investments**

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

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

All of the City's investments are stated at fair value. The fair value of these investments are determined by the funds' share price as of September 30, 2006.

Investments for the City that do not have an established market are reported at estimated fair values. Fair value is the amount at which an investment would be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE 1. SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

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

**2. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

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

**3. Property Taxes**

All real and tangible personal property taxes are due and payable on November 1 of each year, or as soon thereafter as the assessment roll is certified by the County Property Appraiser. The County mails to each property owner on the assessment roll a notice of tax levy by the various governmental entities in the County. Taxes may be paid upon receipt of such notice with discounts at the rate of 4% if paid in November, 3% if paid in December, 2% if paid in January and 1% if paid in February. Taxes paid during the month of March are without discount. All unpaid taxes on real and tangible personal property become delinquent on April 1 of the year following the year in which the taxes were assessed.

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

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, 2006 was 4.4253 mills and budgeted for 2006-2007 at 4.0934 mills. Current tax collections for the City were approximately 93.7% of the total tax levy.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE I. SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

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

**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 consists 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.

The City has elected to indicate a reservation of fund balance for all inventory held in governmental funds at the end of the fiscal year.

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

The City has elected to delay implementing of the retroactive recordation of infrastructure assets, such as roads, bridges, curbs, gutters, streets and sidewalks and lighting systems, acquired prior to October 1, 2001. The implementation of that part of GASB Statement No. 34 may be deferred until fiscal year 2007. However, beginning with the year ended September 30, 2004 any newly constructed infrastructure assets have been included in these financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE I. SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

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

**6. Capital Assets (Continued)**

<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. Accumulated Unused Compensated Absences**

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

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

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

**8. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**9. Restricted assets**

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

**10. Reserves**

a. Governmental Funds and certain Fiduciary Funds Reserves have been established for open encumbrances at year end reflecting purchase commitments expected to generate claims on current assets. Reserves have been established to reflect legal restrictions which limit the City’s spending discretion. Finally, designations of unreserved fund equities indicate City management’s tentative plans for financial resource utilization in a future period.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE I. SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

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

**10. Reserves (continued)**

b. Debt Service Funds and Fiduciary Funds - Reserves are created to indicate a segregation of a portion of fund balance equal to the net current assets restricted for meeting various covenants defined in the revenue bond indentures and restricting current funds for future retirement benefits. Usage of reserves has been limited to the following items:

- (1) Reserves for Debt Services - restricted for future servicing of the Revenue bonds.
- (2) Held in trust for pension benefits - restricted for payment of retirement benefits.

**11. Deferred Revenue**

Occupational licenses, certain assessments receivable, and some pledges receivable are measurable, but not available, as of the end of the fiscal year and thus are shown as deferred revenue. The deferred revenue will be recognized as revenue in the fiscal year that it becomes available.

**12. Encumbrances**

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

**13. Net Assets**

Net assets of the government-wide and proprietary funds are categorized as invested in capital assets net of related debt, restricted or unrestricted. The first category represents net assets related to property, plant, equipment and infrastructure, net of unspent financing proceeds. The restricted category represents assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from unrestricted assets.

**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 non-operating revenue 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.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. REVENUES, EXPENDITURES AND EXPENSES (CONTINUED)**

**2. Interfund Transactions:**

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

**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 Utility Fund for services rendered that benefit other funds. Both the General Fund and the 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, 2006 are presented below.

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

<u>Fund</u>	<u>Amount</u>
Solid Waste	\$ 371,175
Water/Sewer Utility	1,099,053
Marina	31,109
Stormwater	111,876
Reclaimed Water	51,651
Golf	<u>52,319</u>
Total	<u>\$ 1,717,183</u>

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

<u>Fund</u>	<u>Amount</u>
General	\$ 287,096
Solid Waste	146,441
Marina	7,141
Stormwater Utility	146,217
Reclaimed Water	<u>39,858</u>
Total	<u>\$ 626,753</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(27,257,319) difference are as follows:

Accrued interest payable	\$ (335,439)
Capital leases payable	(27,499)
Revenue bonds payable	(22,743,109)
Special assessment debt with government commitment	(133,792)
Mortgage note payable	(2,850,000)
Compensated absences	<u>(1,167,480)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - government wide activities</i>	<u>\$ (27,257,319)</u>

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL  
FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "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 \$11,126,092 difference are as follows:

Capital outlay	\$ 14,675,909
Depreciation expense	<u>(3,549,817)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 11,126,092</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE II - RECONCILIATION OF GOVERNMENT-WIDE  
AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL  
FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF  
ACTIVITIES (CONTINUED)**

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." Neither transaction, however, has any effect on net assets. The details of this (\$1,647,014) difference are as follows:

Additions to long-term debt	\$ (3,900,000)
Principal repayments:	
Revenue notes	2,166,418
Capital leases	19,672
Special assessment	<u>66,896</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (1,647,014)</u>

Another element of that reconciliation states that "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." The details of this \$1,595 difference is as follows:

Compensated absences	\$ 137,789
Accrued interest	<u>(136,194)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 1,595</u>

**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 governmental funds. All annual appropriations lapse at fiscal year end.
2. The City Manager submits to the City Commission a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them.
3. Public hearings are conducted to obtain taxpayer comments.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. THE CITY'S BUDGET POLICY IS SUMMARIZED AS FOLLOWS (CONTINUED):**

4. The budget is approved by the City Commission through the passage of a resolution. The level on which expenditures/expenses may not legally exceed appropriations is the individual department/fund.
5. The appropriated budget is prepared by fund, function and department. The City Manager is authorized to transfer budgeted amounts within departments, except for budget changes affecting salary line items. All salary budget changes, as well as transfers between departments must have City Commission approval.
6. Formal budgetary integration was employed as a management control device during the year for all budgeted funds.

**B. COMPLIANCE WITH FINANCE RELATED LEGAL  
AND CONTRACTUAL PROVISIONS**

The City met the Rate Covenant requirement stipulated in the Water and Sewer Refunding Revenue Bonds, Series 1993. The rate covenant requires Net Revenues to be 125% of the Bond Service Requirement. Net Revenues were 200% of the Bond Service Requirements for the Fiscal Year Ending September 30, 2006. The indebted Enterprise Funds had sufficient assets to make all required debt payments during the 2005-2006 Fiscal Year.

The City was in compliance with the provisions of the "Disposition of Revenue" Section of the Water and Sewer Refunding Revenue Bonds, Series 1993.

**C. ESTABLISHMENT/ELIMINATION OF FUNDS**

No funds were established or eliminated during this fiscal year. The Dunedin Stadium Debt Service Fund was eliminated during the fiscal year ended September 30, 2005

**D. EXCESS OF EXPENDITURES  
OVER REVENUE IN INDIVIDUAL FUNDS**

There is an excess of Expenditures over Revenue in the Solid Waste Fund, Water/Sewer Utility Fund, Reclaimed Water Fund, Marina Fund, Golf Course Fund, Dunedin Stadium Fund, Fine Art Center Fund, Community Redevelopment Fund, G. Koutsourias Fund, Harbor View Dredging Fund, Stadium Capital Project Fund, County Gas Tax Fund, Leisure Services Capital Improvement Fund, Capital Improvement Fund and Information Technology Project Fund. All of these funds have sufficient undesignated fund balances as of September 30, 2006 to cover the excess expenditures.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS**

**A. ASSETS**

**1. Cash and Cash Equivalents and Investments**

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

The City classifies its operating investment portfolio as Cash and Cash Equivalents. The City's cash management pool allows individual funds and subfunds to, at any time, deposit additional cash or make withdrawals without prior notice or penalty, and thus, the City is internally managing a mutual fund which is considered by GASB to be a cash equivalent. The investment earnings on the City's cash management pool are reported as part of the investing activity.

**a. Deposits**

At year end, the book balance of the City's deposits was \$135,370 and the bank balance was \$569,883. The difference between the book balance and bank balance is due to outstanding checks as of September 30, 2006. The bank balance is insured by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposits Act.

Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default.

**b. Investments**

The City's investment policy and guidelines, except for pension fund assets, are defined by City ordinance. The written investment policy was revised, by City Commission approval, on November 7, 2002. 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.

Implementation and direction, within policy limits, is managed by the Director of Finance, with City Manager approval required for all transactions.

The City's investment policy requires transactions to meet "payment versus delivery" perfection with securities being held by the City's third party custodian on behalf of and in the name of the City. The exceptions to this policy are overnight repurchase agreements with the City's primary banking institution, and investments with Florida's State Board of Administration (SBA). Investments with the SBA may be made or liquidated by wire on a same day basis. Based on the SBA's investment option structure and its availability to all local governmental units, individual unit perfection is not provided. The City has also developed a master repurchase agreement to address overnight, term and reverse repurchase transactions and, by policy, will only consider repurchase transactions with institutions which have executed a similar master repurchase agreement prior to any such transaction.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. ASSETS (CONTINUED)**

**1. Cash and Cash Equivalents and Investments (continued)**

**b. Investments (continued)**

Investments in the SBA, mutual funds and indexed (passively managed) pension accounts are not evidenced by securities that exist in physical or book entry form. Investments are reported at fair value. Short-term investments are reported at cost, which approximates market value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair market values.

In addition to authorizing investment instruments, the City's policies also identify various portfolio parameters addressing issuer diversification, term-to-maturity and liquidity.

The State Board of Administration (SBA) was established on June 21, 1928, pursuant to Chapter 14486, 1929 laws of Florida. The Board was subsequently created as a constitutional body corporate on January 1, 1943, under the provisions of Senate Joint Resolution No. 324, 1941; approved by the electorate in November 1942. The Board is composed of the Governor, as Chairman, the State Treasurer, as Treasurer and the State Comptroller, as Secretary, and provides the following services by law: (1) investment of funds of the Florida Retirement System (FRS); (2) administration of debt service funds; (3) investment of trust and agency funds; and (4) distribution of the "Second Gas Tax."

The Local Government Pooled Investment Fund is governed by Ch. 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Pooled Investment Fund. Additionally, the office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

Since the Florida SBA Local Government Pooled Investment Fund (Fund) typically owns a substantial amount of treasury bills and notes, the Fund has utilized security lending programs to generate supplemental income. This income is used to pay a significant portion of the fees associated with the Fund which otherwise would have to be paid from regular Fund earnings. Any residual is used to build the Fund's reserve on behalf of participants. Both of these goals have been accomplished without impacting the regular earnings in the Fund and with no change in the Fund's investment strategy. The investment in the Florida SBA pool is carried at the pool's share price at September 30, 2006.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. ASSETS (CONTINUED)**

**1. Cash and Cash Equivalents and Investments (continued)**

**b. Investments (continued):**

The City's investments for all pools are summarized and categorized under GASB 40 guidelines as follows to give an indication of the level of credit and interest rate risk assumed by the City at September 30, 2006.

	<u>Rating</u>		
	<u>Fair Value</u>	<u>Standard &amp; Poor's</u>	<u>Weighted Average Duration (In Years)</u>
<b>Investments:</b>			
U.S. Government Agencies	\$ 142,792	AAA	.49
U.S. Government Instrumentalities	14,955,515	AAA	.49
Florida State Board of Administration Local Government Pooled Investment Fund (SBA)	15,880,955	Not Rated	Daily
Cash in bank	135,370	-	-
Petty cash	<u>2,108</u>	-	-
Total Investments – cash and cash equivalents	<u>\$ 31,116,740</u>		

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. ASSETS (CONTINUED)**

**1. Cash and Cash Equivalents and Investments (continued)**

**b. Investments (continued):**

U. S. Government Securities are principally composed of U.S. Treasury notes and bonds. U.S. Government Agencies include instruments issued by Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corp (Freddie Mac), Federal Farm Credit Bank and Federal Home Loan Bank.

Investments held in Pension Funds:

Investments held by the City's Pension Trust Funds are summarized as follows:

Pension Funds:	Fair Value	<u>Rating</u> Standard & Poor's	Weighted Average Duration (In Years)
U.S. Government and Agency Securities	\$ 4,421,627	AAA	4.2
Corporate Equities	12,909,774	-	-
Corporate Obligations	844,712	A - AAA	5.6
Money Market	<u>230,474</u>	AAA	Daily
Total Pension Funds	<u>\$ 18,406,587</u>		

Credit Rate Risk. Consistent with state law and the investment guidelines for the City, the firefighters pension plan, and the defined contribution pension plan their fixed income investments are limited to a quality rating of 'A' or equivalent as rated by one or more recognized bond rating service at the time of purchase. Fixed income investments which are downgraded to 'BAA' or equivalent must be liquidated within a reasonable period of time not to exceed twelve months. Fixed income investments which are downgraded below 'BAA' shall be liquidated immediately.

Interest Rate Risk. The City manages its exposure to fair value losses arising from increasing rates through its adopted investment policies. The City limits its fixed portfolio's weighted average maturity to 2.5 years.

The duration of the fixed income portfolios of the firefighters' and the defined contribution pension plans will not exceed that of the Lehman Brothers Aggregate Bond Index.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. ASSETS (CONTINUED)**

**2. Receivables**

Receivables as of the fiscal year ended September 30, 2006 for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Solid Waste</u>	<u>Water/Sewer Utility</u>	<u>Reclaimed Water</u>	<u>Stormwater Utility</u>	<u>Marina</u>	<u>Golf Course</u>	<u>Nonmajor and Other</u>	<u>Total</u>
Receivables:									
Accounts Billed	\$ 536,891	\$ 255,785	\$ 578,809	\$ 8,543	\$ 131,229	\$ 12,081	\$ 709	\$ 32,668	\$ 1,556,715
Accounts Unbilled	-	400,670	1,084,082	62,253	123,955	-	-	-	1,670,960
Special Assessments	-	-	-	-	-	-	-	74,107	74,107
Liens Receivable	-	21,760	224,589	-	-	-	-	-	246,349
Pledges Receivable	-	-	-	-	-	-	-	-	-
Charges	-	-	-	-	-	-	-	-	-
Gross Receivables	536,891	678,215	1,887,480	70,796	255,184	12,081	709	106,775	3,548,131
Less: Allowance for Uncollectibles	(10,000)	(20,269)	(342,019)	-	-	(2,500)	-	-	(374,788)
Net Total Receivables	<u>\$ 526,891</u>	<u>\$ 657,946</u>	<u>\$ 1,545,461</u>	<u>\$ 70,796</u>	<u>\$ 255,184</u>	<u>\$ 9,581</u>	<u>\$ 709</u>	<u>\$ 106,775</u>	<u>\$ 3,173,343</u>

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

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. ASSETS (CONTINUED)**

**2. Receivables (continued)**

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the *unearned revenue* reported in the governmental funds were as follows:

	<u>General Fund</u>	<u>Harbor View Dredging Fund</u>	<u>Total Unearned Revenue For Governmental Funds</u>
License fees not yet earned	\$ 90,151	\$ -	\$ 90,151
Assessments receivable	<u>-</u>	<u>74,107</u>	<u>74,107</u>
Total	<u>\$ 90,151</u>	<u>\$ 74,107</u>	<u>\$ 164,258</u>

**3. Due From Other Governments**

The following amounts were due from other governments as of September 30, 2006.

<u>Name of Government</u>	<u>AMOUNT</u>
Pinellas County, Florida	\$ 624,009
State of Florida	307,840
Housing Authorities	73,243
City of Clearwater	<u>29,076</u>
TOTAL	<u>\$ 1,034,168</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. ASSETS (CONTINUED)**

**4. Capital assets**

Capital asset activity for the fiscal year ended September 30, 2006 was as follows:

**a. Primary Government**

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 6,079,515	\$ 3,900,000	\$ -	\$ 9,979,515
Construction in Process	<u>1,161,950</u>	<u>7,484,513</u>	<u>-</u>	<u>8,646,463</u>
Total Capital Assets not being depreciated	<u>7,241,465</u>	<u>11,384,513</u>	<u>-</u>	<u>18,625,978</u>
Capital Assets being depreciated:				
Buildings	26,876,426	368,063	(398,011)	26,846,478
Infrastructure	875,000	-	-	875,000
Improvements other than buildings	16,532,335	1,582,493	-	18,114,828
Machinery and equipment	<u>15,582,283</u>	<u>1,616,558</u>	<u>(435,810)</u>	<u>16,763,031</u>
Total Capital Assets being depreciated	<u>59,866,044</u>	<u>3,567,114</u>	<u>(833,821)</u>	<u>62,599,337</u>
Less Accumulated depreciation for:				
Buildings	(6,206,376)	(1,080,901)	70,168	(7,217,109)
Infrastructure	(26,250)	(17,500)	-	(43,750)
Improvements other than buildings	(5,464,849)	(935,171)	-	(6,400,020)
Machinery and Equipment	<u>(10,227,915)</u>	<u>(1,516,245)</u>	<u>432,260</u>	<u>(11,311,900)</u>
Total Accumulated Depreciation	<u>(21,925,390)</u>	<u>(3,549,817)</u>	<u>502,428</u>	<u>(24,972,779)</u>
Total Capital Assets being depreciated, net	<u>37,940,654</u>	<u>17,297</u>	<u>(331,393)</u>	<u>37,626,558</u>
Governmental Activities Capital Assets, net	<u>\$ 45,182,119</u>	<u>\$ 11,401,810</u>	<u>\$ (331,393)</u>	<u>\$ 56,252,536</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. ASSETS (CONTINUED)**

**4. Capital assets (continued)**

Capital asset activity for the fiscal year ended September 30, 2006 was as follows:

**b. Primary Government**

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,378,896	\$ -	\$ -	\$ 1,378,896
Construction in Process	<u>244,445</u>	<u>372,995</u>	<u>(129,207)</u>	<u>488,233</u>
Total Capital Assets not being depreciated	<u>1,623,341</u>	<u>372,995</u>	<u>(129,207)</u>	<u>1,867,129</u>
Capital Assets being depreciated:				
Buildings	15,921,018	81,990	-	16,003,008
Improvements other than buildings	89,721,632	2,744,266	(12,750)	92,453,148
Machinery and equipment	<u>2,191,428</u>	<u>322,511</u>	<u>(8,162)</u>	<u>2,505,777</u>
Total Capital Assets being depreciated	<u>107,834,078</u>	<u>3,148,767</u>	<u>(20,912)</u>	<u>110,961,933</u>
Less Accumulated depreciation for:				
Buildings	(9,684,651)	(793,457)	-	(10,478,108)
Improvements other than buildings	(39,354,798)	(3,790,323)	12,750	(43,132,371)
Machinery and Equipment	<u>(1,414,983)</u>	<u>(251,222)</u>	<u>8,162</u>	<u>(1,658,043)</u>
Total Accumulated Depreciation	<u>(50,454,432)</u>	<u>(4,835,002)</u>	<u>20,912</u>	<u>(55,268,522)</u>
Total Capital Assets being depreciated, net	<u>57,379,646</u>	<u>(1,686,235)</u>	<u>-</u>	<u>55,693,411</u>
Business-type Activities Capital Assets, net	<u>\$ 59,002,987</u>	<u>\$ (1,313,240)</u>	<u>\$ (129,207)</u>	<u>\$ 57,560,540</u>

\$129,207 in Construction in Progress was transferred to other capital asset categories during the fiscal year ended September 30, 2006.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. ASSETS (CONTINUED)**

**4. Capital assets (continued)**

c. Depreciation

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

Governmental Activities:

General government	\$ 705,666
Public safety	858,856
Transportation	270,439
Culture and recreation	<u>1,714,856</u>
Total depreciation expense - Governmental Activities	<u>\$ 3,549,817</u>

Business-type Activities:

Solid waste	\$ 138,516
Water/Sewer utility	3,227,881
Reclaimed water	1,045,356
Stormwater utility	212,314
Marina	189,688
Golf Course	<u>21,247</u>
Total depreciation expense - Business-type Activities	<u>\$ 4,835,002</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. ASSETS (CONTINUED)**

**4. Capital assets (continued)**

**d. Construction contracts.**

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

	September 30, 2006	
	ESTIMATED CONTRACT AMOUNT	CONSTRUCTION IN PROGRESS
Governmental Activities:		
 The City continued the construction of the new Community Center. This project was completed on December 1, 2006.	\$ 9,800,000	\$ 8,464,161
 The City has completed the design for a new skate park at the MLK Recreation Center. The City anticipates that it will enter a contract to have the park constructed by June 2007.	542,000	19,447
 The City has begun the process of designing various improvements to Edgewater Park.	450,000	1,645
 The City has begun the process of making various improvements to the Wilson Street Pier/Park area.	125,000	49,763
 The City has entered into a contract to renovate Fire Station #62 and to add an additional bunkroom.	155,000	111,447
Total Governmental Activities	\$ 11,072,000	\$ 8,646,463

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. ASSETS (CONTINUED)**

**4. Capital assets (continued)**

**d. Construction contracts (continued)**

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

	September 30, 2006	
	<u>ESTIMATED CONTRACT AMOUNT</u>	<u>CONSTRUCTION IN PROGRESS</u>
<b>Utility Fund:</b>		
The City is in the process of entering into a contract to upgrade the Victoria Drive area waterline.	\$ 80,000	\$ 24,220
The City has continued to work on a project to improve its micro filtration system.	<u>25,000</u>	<u>21,931</u>
<b>Total Utility Fund</b>	<u>\$ 105,000</u>	<u>\$ 46,151</u>
<b>Stormwater Fund</b>		
The City has contracted with a consultant to begin the process of improvements to Curlew Creek Channel A.	\$ 2,036,929	\$ 160,321
The City has begun to make improvements to the Heather Lake Ditch.	100,000	9,384
The City has entered into a contract with Rowland, Inc. for the installation of a Stormwater filtration unit at Baywood Drive in fiscal year 06/07.	205,000	1,603
The City has entered into a contract with TBE Group for engineering services related to the restoration of Hammock Park.	<u>1,905,000</u>	<u>210,259</u>
<b>Total Stormwater Fund</b>	<u>\$ 4,246,929</u>	<u>\$ 381,567</u>
<b>Reclaimed Water Fund</b>		
The City has entered into a contract with US Water Services to replace various reclaimed water pumps.	\$ 370,000	\$ 33,541
<b>Total Reclaimed Water Fund</b>	<u>\$ 370,000</u>	<u>\$ 33,541</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. ASSETS (CONTINUED)**

**4. Capital assets (continued)**

**e. Construction contracts (continued)**

	September 30, 2006	
	<u>ESTIMATED CONTRACT AMOUNT</u>	<u>CONSTRUCTION IN PROGRESS</u>
St Andrew Golf Course Fund:		
The City has begun the process of building a new metal storage building at St. Andrew Links Golf Course.	\$ <u>70,000</u>	\$ <u>26,974</u>
Total St. Andrews Golf Course Fund	\$ <u>70,000</u>	\$ <u>26,974</u>
<b>TOTAL ENTERPRISE FUNDS</b>	<b>\$ <u>4,791,929</u></b>	<b>\$ <u>488,233</u></b>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. ASSETS (CONTINUED)**

**5. Interfund receivables, payables, and transfers**

The composition of interfund balances as of September 30, 2006, is as follows:

Interfund transfers

Transfers Out:	Transfers In:						Total
	General	Reclaimed Water	Utility	Golf Course	Non Major Governmental	Internal Service	
General	\$ -	\$ -	\$ -	\$ -	\$ 1,553,591	\$ 730,505	\$ 2,284,096
One Cent Sales Tax	-	-	-	-	234,168	-	234,168
Nonmajor Governmental	<u>125,000</u>	<u>443,000</u>	<u>(481,230)</u>	<u>92,988</u>	<u>234,168</u>	<u>380,170</u>	<u>559,928</u>
Total transfers	<u>\$ 125,500</u>	<u>\$ 443,000</u>	<u>\$ (481,230)</u>	<u>\$ 92,988</u>	<u>\$ 1,787,759</u>	<u>\$ 1,110,675</u>	<u>\$ 3,078,192</u>

**6. Advances To/From Other Funds**

<u>Advances from Other Funds</u>		<u>Advances to Other Funds</u>	
<u>Fund</u>	<u>Amount</u>	<u>Fund</u>	<u>Amount</u>
		General	\$ 108,227
		Leisure Services Capital Improvement	<u>53,183</u>
Golf Course	<u>\$ 161,410</u>		<u>\$ 161,410</u>

The City Commission has determined that interest will not be accrued on this Advance.

**B. LONG-TERM DEBT**

The following changes occurred in long-term debt during the fiscal year ended September 30, 2006:

**1. Capital Leases**

On April 18, 2001, the City entered into a lease-purchase agreement to finance \$696,102 in vehicles. This five-year capital lease has a 4.26% interest rate and provides for annual payments of \$152,524.

On March 5, 2002, the City entered into a lease-purchase agreement to finance \$1,721,143 in vehicles. This five-year capital lease has a 3.3% interest rate and provides for annual payments of \$379,094.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (continued)**

**1. Capital Leases (continued)**

On December 30, 2002, the City entered into a lease purchase agreement to finance \$795,912 in vehicles. This five-year capital lease has a 2.41% interest rate and provides for annual payments of \$170,874.

On February 19, 2004 the City entered into a lease-purchase agreement to finance \$303,552 in vehicles. This five-year capital lease has a 2.78% interest rate and provides for annual payments of \$65,866.

On December 31, 2003, the City entered into two lease-purchase agreements for two mailing machines. The four-year capital leases financed mailing machines with costs of \$80,404 and \$16,966. Those leases have a 7.1% interest rate and provide for annual payments of \$17,388 and \$6,132, respectively.

The future minimum lease obligations and the net present value of these minimum lease payments at September 30, 2006 were as follows:

	<u>Governmental Activities</u>
2006	\$ 791,879
2007	639,355
2008	242,620
2009	<u>65,866</u>
Total minimum lease payments	1,739,720
Less: amount representing interest	<u>(88,700)</u>
Present value of minimum lease payments	<u>\$ 1,651,020</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (continued)**

**2. Special Assessments**

**a. Drainage Assessment Revenue Note, Series 1998 - Harbor View Villas Subdivision**

During the fiscal year ended September 30, 1998, the City undertook a special assessment project for the dredging of certain canals within the Harbor View Villas Subdivision. Terms of this special assessment require that the cost of this project will be levied against the properties benefited. The total cost of this project and the related special assessment was \$696,563. The repayment terms of this assessment are summarized as follows:

- The Assessment may be paid at any time within thirty days after the project is completed or
- the Assessment may be paid in ten equal annual installments with interest at the rate of five and three-quarters percent. The first payment of this assessment was due in fiscal year 1998-1999 and will be included in the ad valorem tax bill issued by the Pinellas County, Florida tax collector.

In September 1998 the City issued a Drainage Assessment Revenue Note, Series 1998 for \$600,000 to finance the above project. Repayment for this note is from drainage assessment revenues. Drainage assessment revenues received from Harbor View Villas residents assessed for the respective benefited properties are leined and pledged as collateral. In the event that Drainage Assessment Revenues are not sufficient to cover the indebtedness, the note is also secured by a pledge of the proceeds generated by the One Cent Infrastructure Sales Surtax.

Repayment terms:

The term, interest rate and payments are as follows:

Original Amount Issued:	\$ 600,000
Final Maturity:	September 17, 2008
Interest Rate:	
Years 1 - 5	4.75%
Years 6 - 10	55.88% of SunTrust Bank Prime Rate on September 17, 2003
Annual payments:	
Years 1 - 5	\$ 76,776
Years 6 - 10	\$ 76,776 (assuming no change in rates)
Amount Outstanding at September 30, 2006:	<u>\$ 133,792</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (CONTINUED)**

**2. Special Assessments (continued)**

b. Promissory Note, Series 2002A Spanish Trails Subdivision

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

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

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

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

Repayment terms:

The term, interest rate and payments are as follows:

Original Amount Issued:	\$ 759,000
Final Maturity:	May 3, 2012
Interest Rate:	4.65%
Annual payments:	\$ 96,953
Amount Outstanding at September 30, 2006:	<u>\$ 496,003</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (CONTINUED)**

**2. Special Assessments (continued)**

c. The schedule of future debt service requirements for assessment bonds at September 30, 2006 were as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 69,976	\$ 6,800	\$ 73,566	\$ 23,064
2008	63,816	3,715	76,987	19,643
2009	-	-	80,567	16,063
2010	-	-	84,147	13,483
2011 - 2012	<u>-</u>	<u>-</u>	<u>180,736</u>	<u>11,524</u>
	<u>\$ 133,792</u>	<u>\$ 10,515</u>	<u>\$ 496,003</u>	<u>\$ 83,777</u>

**3. Revenue Bonds**

a. Spring Training Facility Revenue Notes, Series 2001

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

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

Annual Payment Requirement (Principal and interest)	\$ 1,075,184
Less annual amount provided by:	
State	(500,000)
County	<u>(297,980)</u>
City's portion	<u>\$ 277,204</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (CONTINUED)**

**3. Revenue Bonds (continued)**

Repayment terms:

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

	<u>2001A</u>	<u>2001B</u>	<u>2001C</u>
Original Amount Issued:	<u>\$ 6,000,000</u>	<u>\$ 1,700,000</u>	<u>\$ 4,300,000</u>
Final Maturity:	<u>April 1, 2021</u>	<u>April 1, 2016</u>	<u>April 1, 2016</u>
Interest Rates:	<u>4.65%</u>	<u>4.76%</u>	<u>6.72%</u>
Monthly Payments	<u>\$ 38,427</u>	<u>\$ 13,220</u>	<u>\$ 37,952</u>
Amount Outstanding at September 30, 2006	<u>\$ 4,876,637</u>	<u>\$ 1,219,185</u>	<u>\$ 3,211,423</u>

**b. Toronto Blue Jays Revenue Note, Series 2002:**

During fiscal year 2001-2002, the City incurred additional costs to construct the Spring Training Facilities. The City issued the Toronto Blue Jays Revenue Note to partially finance the above project on September 6, 2002.

Lease revenues from the Toronto Blue Jays are pledged as collateral.

Repayment terms:

The term, interest rate and payments are as follows:

Original Amount Issued:           \$ 250,000

Final Maturity:                   July 1, 2017

Interest Rate:                   5.00%

Annual payments:

    Year 1                         \$ 21,791

    Years 2 - 15                 \$ 24,086

Amount Outstanding at  
September 30, 2006             \$ 200,065

**CITY OF DUNEDIN, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (CONTINUED)**

**3. Revenue Bonds (continued)**

c. Capital Improvement Revenue Note, Series 2002:

On September 19, 2002, the Commission approved Resolution 02-36. This resolution authorized the issuance of City revenue notes for milling and resurfacing approximately 36,000 square feet of concrete pavement on Palm Boulevard. Scope also includes a continuous asphalt rubber membrane interlayer, miscellaneous curb replacement, storm drainage upgrades and median island modifications. The City is required to establish and maintain a fund to manage the debt service (Capital Improvement Revenue Note, Series 2002 Debt Service Fund), which had no activity in the current fiscal year. Non-ad valorem revenues and funds in the debt service fund are pledged as collateral.

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

Repayment terms:

The term, interest rate and payments are as follows:

Original Amount Issued:	\$ 943,904
Final Maturity:	October 1, 2012
Interest Rate:	3.48%
Annual payments:	\$ 113,498
Amount Outstanding at September 30, 2006	<u>\$ 694,510</u>

d. Capital Improvement Revenue Note, Series 2003:

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

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

Repayment terms:

The term, interest rate and payments are as follows:

Original Amount Issued:	\$ 4,900,000
Final Maturity:	November 1, 2013
Interest Rate:	3.37%
Annual payments:	\$ 585,806
Amount Outstanding at September 30, 2006:	<u>\$ 2,632,553</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (CONTINUED)**

**3. Revenue Bonds (continued)**

e. Sales Tax Revenue Bonds, Series 2005:

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

Repayment terms:

The term, interest rate and payments are as follows:

Original Amount Issued:	\$10,000,000
Final Maturity:	October 1, 2025
Interest Rate:	3.0% - 4.125%
Annual Payments:	\$750,000
Amount Outstanding at September 30, 2006	<u>\$10,000,000</u>

f. Utility Fund - Utility System Refunding Revenue Bonds, Series 1993:

On October 5, 1993, the City issued \$25,275,000 of Utility System Refunding Revenue Bonds, Series 1993, to refund the Utility System Revenue Bonds, Series 1989. Bonds are payable and secured by a lien on and pledge of certain funds provided by resolution, net revenues of the City's Utility System (consisting of the City's Water, Sewer, Reclaimed Water and Stormwater systems) and proceeds of the One-Cent Sales Tax.

The Utility System Refunding Revenue Bonds resolution provides for:

Establishment and Maintenance of Various Funds:

Revenue Fund records all operating revenues and expenses of the system.

Debt Service Fund records the principal, interest and sinking fund requirements.

Reserve Fund, a reserve fund policy held for the maximum annual debt service requirement.

Renewal, Replacement and Improvement Fund records payments for the cost of extensions, enlargements or additions, or the replacement of capital assets and emergency repairs thereto.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (CONTINUED)**

**3. Revenue Bonds (continued)**

**f. Utility Fund - Utility System Refunding Revenue Bonds, Series 1993 (continued):**

Restrictions on the Use of Cash From Operations in Order of Priority:

Deposits are made to the Revenue Fund to meet current operations according to the existing bond ordinance.

Deposits to the Debt Service Fund are required each month in an amount equal to one-sixth (1/6) of the interest coming due on the next semi-annual interest payment date, and one-twelfth (1/12) of the principal coming due on the next principal payment date.

Deposits to the Renewal, Replacement and Improvement Fund are required each month equal to one-twelfth (1/12) of 5% of the gross revenues of the water and sewer system for the preceding fiscal year. No further deposits will be required after the deposit reaches the amount of \$200,000.

Early Redemption:

The bond resolution provides for early redemption, at the option of the City, of the Serial Bonds maturing on October 1, 2003, and thereafter at call rates varying from 102% to 100% of the principal amount, dependent upon the call date.

The Term Bonds maturing on October 1, 2010 and 2014, may, at the option of the City, be called for redemption on October 1, 2005 at redemption prices equal to the principal amount thereof without premium.

Investment Restrictions:

Monies on deposit shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State of Florida.

On October of 2003, the City issued \$4,155,000 of Utility System Refunding Bonds, Series 2003 to refund a portion of the Utility System Revenue Bonds, Series 1993. Bonds are payable and secured by a lien on and pledge of certain funds provided by resolution, net revenues of the City's Utility System and proceeds of the One-Cent Sales Tax.

On January 17, 2006, the City issued \$3,225,000 of Utility System Refunding Bonds, Series 2006 to refund the Utility System Revenue Bonds, Series 1993. Bonds are payable and secured by a lien on and pledge of certain funds provided by resolution, net revenues of the City's Utility System (consisting of the City's Water, Sewer, Reclaimed Water and Stormwater systems) and proceeds of the One-Cent Sales Tax. \$3,155,000 of the Series 1993 bonds were refunded.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (CONTINUED)**

**3. Revenue Bonds (continued)**

**f. Utility Fund - Utility System Refunding Revenue Bonds, Series 1993 (continued):**

Repayment terms:

The term, interest rate and payments are as follows:

Original Amount Issued:	\$ 25,275,000
Final Maturity:	October 1, 2014
Interest Rate:	2.60% to 6.75%
Annual principal payments:	\$ 930,000 to \$1,610,000
Amounts Outstanding at September 30, 2006	
Series 1993	\$ 6,385,000
Series 2003	2,125,000
Series 2006	<u>3,225,000</u>
Total	<u>\$ 11,735,000</u>

**g. Reclaimed Water Fund - Utility System Revenue Note, Series 1994:**

On October 6, 1994, the City obtained a \$5,000,000 Revenue Note from SunTrust Bank of Tampa Bay to purchase and install Reclaimed Water Distribution and service lines, meters and related equipment. Note proceeds were provided as construction occurred and as the City requested up to, and including, October 1, 1999. On October 15, 1999, the bank extended that draw period from October 1, 1999 to October 1, 2003. All other terms and conditions remain in effect.

Annual principal installments based on a 20-year fixed principal amortization are due from October 1, 1995 through October 1, 2014. The principal due shall vary up to, and including October 1, 2003, based on the construction draws.

Interest at a rate of 5.20% is payable monthly up to October 1, 2002. From October 1, 2002 through October 1, 2014, level monthly amortization of principal and interest shall occur with the monthly payment being adjusted for interest rate adjustments on October 1, 2002, 2005, 2008 and 2011.

The Utility System Revenue Note resolution provides for:

Establishment and Maintenance of Various Funds

Construction Fund records all note proceeds and related construction expense.

Advances

Advances shall occur monthly in minimum increments of \$50,000 to pay for project costs, costs of issuance or other related incidental costs.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (CONTINUED)**

**3. Revenue Bonds (continued)**

**g. Reclaimed Water Fund – Utility System Revenue Note, Series 1994 (continued):**

Early Redemption

The note resolution provides for early redemption, at the option of the City, in minimum increments of \$100,000 on the first day of any month.

Parity

This note is designated as an additional parity obligation to the Utility System Refunding Revenue Bonds, Series 1993.

Repayment terms:

The term, interest rate and payments are as follows:

Original Amount Issued to date:	\$ 3,427,703
Final Maturity:	October 1, 2014
Interest Rate:	5.20%, subject to adjustment on October 1, 2008 and 2011
Interest Rate:	5.20%, subject to adjustment on October 1, 2008 and 2011
Annual payments:	\$ 283,095
Amount Outstanding at September 30, 2006:	<u>\$ 1,774,613</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (CONTINUED)**

**3. Revenue Bonds (continued)**

**h. Debt service requirements**

Revenue bond debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 1,489,998	\$ 1,014,591	\$ 1,318,368	\$ 661,139
2008	1,564,677	951,973	1,301,389	604,078
2009	1,629,760	885,054	1,374,006	536,395
2010	1,702,609	814,395	1,458,850	458,071
2011 - 2015	7,455,746	2,812,578	8,057,000	941,465
2016 - 2020	4,969,498	1,353,461	-	-
2021 - 2026	<u>4,022,085</u>	<u>488,773</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 22,834,373</u>	<u>\$ 8,320,825</u>	<u>\$ 13,509,613</u>	<u>\$ 3,201,148</u>

**i. Refunded Issues**

The City presently has outstanding revenue bonds, which were refunded on October 5, 1993 as follows:

SEPTEMBER 30, 2006

1978 A Special Obligation	<u>\$ 3,440,000</u>
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Since U.S. Government obligations are held in escrow for payment and interest, these bonds are not liabilities of the City.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (CONTINUED)**

**4. Changes in long-term liabilities**

Long-term liability activities for the fiscal year ended September 30, 2006:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Capital leases	\$ 1,651,020	\$ -	\$ (739,659)	\$ 911,361	\$ 590,519
Special assessment debt with governmental commitment	200,688	-	(66,896)	133,792	66,896
Mortgage note	-	3,900,000	(1,050,000)	2,850,000	2,850,000
<b>Bonds payable</b>					
Revenue bonds	23,951,069	-	(1,116,696)	22,834,373	1,489,998
Estimated claims and judgments	692,453	504,623	(591,852)	605,224	-
Compensated absences	<u>1,476,864</u>	<u>-</u>	<u>(130,663)</u>	<u>1,346,201</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 27,972,094</u>	<u>\$ 4,404,623</u>	<u>\$ (3,695,766)</u>	<u>\$ 28,680,951</u>	<u>\$ 4,997,413</u>
<b>Business-type activities:</b>					
Special assessment debt with government commitment	\$ 566,301	\$ -	\$ (70,298)	\$ 496,003	\$ 73,566
<b>Bonds payable</b>					
Revenue bonds	14,727,981	3,225,000	(4,443,368)	13,509,613	1,318,368
<b>Deferred amounts:</b>					
For issuance premiums	312,336	-	(34,704)	277,632	-
On refunding	<u>(1,491,804)</u>	<u>-</u>	<u>101,755</u>	<u>(1,390,049)</u>	<u>-</u>
Total utility system revenue bonds	<u>13,548,513</u>	<u>3,225,000</u>	<u>(4,376,312)</u>	<u>12,397,196</u>	<u>1,318,368</u>
Compensated absences	<u>912,496</u>	<u>-</u>	<u>(31,055)</u>	<u>881,441</u>	<u>-</u>
Business-type activity long-term liabilities	<u>\$ 15,027,310</u>	<u>\$ 3,225,000</u>	<u>\$ (4,477,670)</u>	<u>\$ 13,774,640</u>	<u>\$ 1,391,934</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**NOTE IV. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**B. LONG-TERM DEBT (CONTINUED)**

**4. Changes in long-term liabilities (continued)**

Internal service funds serve governmental and enterprise funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental and business-type activities. At year-end \$269,987 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

**5. Mease Hospital Revenue Refunding Bonds**

Resolution 93-15 approved the issuance of \$86,810,000 aggregate principal amount of the City's Hospital Revenue Refunding Bonds pursuant to the Florida Industrial Development Financing Act. The Trustees of Mease Hospital, Inc. d/b/a ("Mease Hospital Care (the "Hospital") is undertaking a project (the "1993 Project") consisting generally of advance refunding all or a portion of the outstanding City of Dunedin, Florida Hospital Refunding Bonds, Series 1985 (Mease Health Care) and all or a portion of the outstanding City of Dunedin, Florida Hospital Revenue Bonds, Series 1991 (Mease Health Care) (collectively, the "Refunded Bonds").

The 1993 bonds were issued as a series of "additional bonds" pursuant to a Trust Indenture dated July 1, 1985, and amended as of August 1, 1991 and March 1, 1993, which provides that such bonds shall not be deemed to constitute a debt, liability or obligation of the City or a pledge of the faith and credit of the City of Dunedin.

The Mease Hospital Revenue Refunding Bonds were redeemed by the Hospital on November 18, 2003.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**V. OTHER INFORMATION**

**A. PENSION**

**1. Florida Retirement System**

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

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. 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. The FRS issues a publicly available financial report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to: State of Florida, Division of Retirement, 3639-C North Monroe Street, Tallahassee, FL 32399-1560.

Funding policy: The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates, established by state law, are determined using the entry-age actuarial funding method. Future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

**Deferred Retirement Option Program**

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

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

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

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**V. OTHER INFORMATION (CONTINUED)**

**A. PENSION (CONTINUED)**

**1. Florida Retirement System (continued)**

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).

Employers pay contributions at a rate of 10.91% of salary for all DROP participants as of September 30, 2006.

Retirement benefits and the City's contributions rates are summarized as follows:

MEMBERSHIP CATEGORY	RETIREMENT BENEFIT	VESTING	CITY CONTRIBUTIONS RATE ACTUARIALY DETERMINED	
			EMPLOYER CONTRIBUTION RATES BEGINNING JULY 1, 2006	EMPLOYER CONTRIBUTION RATES THROUGH JUNE 30, 2006
Regular	1.6% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age.	After 6 years of creditable service.	9.85% of covered payroll	7.83% of covered payroll
Elected State, County and City Officers	1.6% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age.	After 6 years of creditable service.	13.12% of covered payroll	10.45% of covered payroll

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**V. OTHER INFORMATION (CONTINUED)**

**A. PENSION (CONTINUED)**

**1. Florida Retirement System (continued)**

The City's contribution includes 1.11% for a post-retirement health insurance subsidy. FRS also provides disability and survivors benefits. Benefits are established by Florida State Statute. The contribution requirements of employers are established and may be amended by the Division of Retirement. The City's contributions and its required contributions for the past three years are summarized as follows:

<u>Year Ended</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
September 30, 2006	\$ 538,825	100.0%
September 30, 2005	\$ 501,669	100.0%
September 30, 2004	\$ 643,208	100.0%
September 30, 2003	\$ 426,066	100.0%
September 30, 2002	\$ 497,192	100.0%
September 30, 2001	\$ 624,557	100.0%
September 30, 2000	\$ 801,558	100.0%

**2. Firefighters' Retirement Fund**

All of the City's full-time fire employees participate in a separate single-employer, defined benefit pension plan.

Current membership in the Plan is summarized as follows:

<u>Group</u>	<u>9/30/06</u>
Retirees and beneficiaries currently receiving benefits	36
Drop retirees	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	
Fully Vested	13
Nonvested	<u>37</u>
Total	<u>50</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**V. OTHER INFORMATION (CONTINUED)**

**A. PENSION (CONTINUED)**

**2. Firefighters' Retirement Fund (continued)**

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

<u>BENEFITS</u>	<u>VESTING</u>
Normal retirement at age 55 with ten years of service, age 52 with 25 years of service, or completion of 20 years of credited service, 3.0% of final three year average annual compensation multiplied by years of service; reduced benefits for early retirement.	After ten years of creditable service.

Deferred Retirement Option Plan

Any Plan participant who is eligible to receive a normal retirement pension may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a firefighter. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the participant as a result of retirement are accumulated and invested in the DROP to be distributed to the participant upon his or here termination of employment. Participation in the DROP ceases for a Plan participant after the earlier of 5 years or the attainment of his/her earliest normal retirement date. There were 2 members in the DROP as of September 30, 2006.

A portion of the plan net assets are designated for benefits that accrue in relation to the DROP accounts. Allocations to the DROP accounts determined in the most recent annual actuarial valuation for the year ended September 30, 2006 are as follows:

Designated plan net assets for DROP accounts (fully funded)	\$	219,140
Undesignated plan net assets		<u>14,865,795</u>
Total plan net assets	\$	<u>15,084,935</u>

The City of Dunedin Firefighters' Retirement Plan 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: Earl "Sandy" Sanders, CPA, Finance Director, City of Dunedin, P.O. Box 1348, Dunedin, Florida 34697-1348.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**V. OTHER INFORMATION (CONTINUED)**

**A. PENSION (CONTINUED)**

**2. Firefighters' Retirement Fund (continued)**

Basis of accounting is the method by which revenues and expenses are recognized in the accounts and are reported in the financial statements. The accrual basis of accounting is used for the Plan. Under the accrual basis of accounting, revenues are recognized when they are earned and collection is reasonably assured, and expenses are recognized when the liability is incurred. Plan member contributions are recognized in the period in which the contributions are due. City contributions to the plan, as calculated by the Plan's Actuary, are recognized as revenue when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Firefighter contribution rates are established at 5.5 percent of salary. A state excise tax rebate is also received from the State of Florida under Florida Statutes, Chapter 175 (C.175) and the City in amounts sufficient to fund the Plan at an actuarially determined rate specified by state statute, C. 175.

The City's Annual Pension Cost and Net Pension Obligations for the year ended September 30, 2006 is as follows:

Annual required employer contributions	\$ 442,846
Interest on net pension obligation	-
Adjustment to annual required contribution	_____ -
Annual Pension cost	<u>442,846</u>
Increase (decrease) in net pension obligation	-
Net Pension obligation (credit), beginning of year	_____ -
Net pension obligation (credit) end of year	<u>\$ _____ -</u>

The annual required contribution for current year was determined as part of the September 30, 2005 (most recent) actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 8.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 7.00% per year. Both (a) and (b) included an inflation component of 3.50%. The assumptions did not include post-retirement benefit increases.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**V. OTHER INFORMATION (CONTINUED)**

**A. PENSION (CONTINUED)**

**2. Firefighters' Retirement Fund (continued)**

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization periods at September 30, 2006 was 30 years. The Plan's three year trend information is summarized as follows:

<u>Three Year Trend Information</u>			
<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/03	\$ 151,872	100%	-
9/30/04	357,651	100%	-
9/30/05	472,129	100%	-

The City has calculated its pension liability (asset) as of September 30, 2006 in accordance with GASB Statement No. 27. The City had no pension liability (asset) as of September 30, 2006 or at the prior year-end (September 30, 2005). The Plan's table of required supplementary information is presented below:

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**V. OTHER INFORMATION (CONTINUED)**

**A. PENSION (CONTINUED)**

**2. Firefighters' Retirement Fund (continued)**

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Funding Progress**

Actuarial Valuation Date <u>October 1</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) Entry Age <u>(b)</u>	(Funded) Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>a/b</u>	Covered Payroll <u>(c)</u>	UAAL as Percentage of Covered Payroll <u>(b-a)/c</u>
1997	\$10,351,430	\$8,592,200	\$(1,759,230)	120%	\$1,797,034	(98)%
1998	11,878,157	8,570,841	(3,307,316)	139	1,770,728	(187)
1999	12,887,811	9,304,219	(3,583,592)	139	1,985,393	(181)
2000	13,884,790	11,037,197	(2,847,593)	126	1,744,823	(163)
2001	14,097,536	11,627,907	(2,469,629)	121	1,784,028	(138)
2002	13,438,085	12,275,088	(1,162,997)	110	1,968,250	(59)
2003	13,291,020	12,802,764	(488,256)	104	2,357,502	(21)
2004	13,356,895	13,507,266	150,371	99	2,575,437	6
2005	13,430,948	14,332,863	901,915	94	2,738,385	33

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**V. OTHER INFORMATION (CONTINUED)**

**A. PENSION (CONTINUED)**

**2. Firefighters' Retirement Fund (continued)**

Schedule of Employer Contributions

<u>Year Ended September 30</u>	<u>Annual Required Contribution</u>	<u>Actual Percentage Contributed</u>
1998	134,291	100%
1999	120,560	100%
2000	1,601	100%
2001	-	100%
2002	59,591	100%
2003	45,367	100%
2004	252,072	100%
2005	366,661	100%
2006	442,846	100%

**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 Firefighters' Pension Plan through a non-contributory defined contribution plan administered by the ICMA under their prototype Profit-Sharing Plan and Trust Agreement. At September 30, 2006 there were 270 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, 2006 was \$16,840,928. The City's contributions were calculated using the participant's salary amount of \$7,467,520. The City made the required contribution of \$746,752.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**V. OTHER INFORMATION (CONTINUED)**

**B. DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, as amended. This law stipulates that all assets and income of the plan must be held in trust for the exclusive benefit of the Plan participants and their beneficiaries. Although the City is the Trustee of the plan, the City has no administrative involvement and performs no investing function for the plan and has not therefore, reported the plan in this financial report.

The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

**C. SELF INSURANCE PROGRAM**

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

The City established a Self-Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risk of loss. Under this program, for the year ended September 30, 2006, the City utilizes this fund to self-insure its first \$250,000 of property damage per occurrence (except wind, hail, and named storms, which has a deductible of 5% of total location value per building, subject to a minimum of \$500,000), and its first \$250,000 of any employee work injury. The City also self-insures all auto liability and the majority of general liability losses, except for Dunedin recreation summer camp and St. Andrews Links Golf Course, where separate insurance policies are utilized. All claims for general liability, automobile liability, and police professional liability of covered assets are included within the City's Self-Insurance Fund. The city provides all of its employees' health insurance under a commercial insurance plan.

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

All funds of the City participate in the program and make payments to the Self-Insurance Fund based on a current claims cost estimate to pay prior and current-year claims. The Self-Insurance Fund has not billed for nor reestablished a reserve for any catastrophic losses.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**V. OTHER INFORMATION (CONTINUED)**

**C. SELF INSURANCE PROGRAM (CONTINUED)**

The current claims liability of \$605,224 reported in the Fund at September 30, 2006, based on information identified prior to the issuance of the financial statements, indicates that is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities including IBNR (incurred but not reported claims) are based on the estimated ultimate cost of settling the claims (excluding the effects of inflation and other societal and economic factors), using past experience adjusted for current trends and any other factors that would modify past experiences. Claims liabilities also include specific incremental claim adjustment expenses. As of January 22, 2007, all of those covered liabilities are still outstanding. Changes in the Fund's claims liability amount during the year ended September 30, 2006, are as follows:

<u>Liability Balance September 30, 2005</u>	<u>Current Claim and Changes to Estimates</u>	<u>Liability Claim Payments</u>	<u>Liability Balance September 30, 2006</u>
<u>\$ 692,453</u>	<u>\$ 504,623</u>	<u>\$ 591,852</u>	<u>\$ 605,224</u>

**D. POST EMPLOYMENT BENEFITS**

Other than the postretirement benefits described in Section V.A.1, the City does not provide any postretirement health care benefits.

Postemployment health care benefits are made available to the City's terminated employees in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Under COBRA, the City is required to offer an election to deceased or terminated participants, their spouses or dependents, to continue coverage in the health plan provided by the City. The cost of coverage which the City may charge the participant may not exceed 102% of the applicable premium.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**V. OTHER INFORMATION (CONTINUED)**

**E. CONTINGENCIES AND COMMITMENTS**

The City of Dunedin and other Pinellas County cities have entered into an agreement with PACT, Inc. and a local savings and loan institution to guarantee payment of a portion of the principal and interest on mortgage notes in the aggregate principal amount not to exceed \$5,500,000. The notes were issued by PACT, Inc. for the purpose of assisting in the financing of a Performing Arts Center Theater which serves an area maximum including the City of Dunedin. No payments would be due from the City until there was a foreclosure of the mortgage lien or title to the project had been acquired by the Lender, resulting in less than full payment of all amounts due. Demand shall have been made for all payments due by the other cities under the Guaranty Agreements between each such public body. The notes were issued for a period of 25 years in 1982.

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.

**F. FEDERAL AND STATE GRANTS**

The City participates in a number of federal and state assisted programs, principal of which are the Federal Emergency Management Agency (FEMA), Recycling Grant, CDBG for Streetscape Project, and Local Law Enforcement Block Grant Program. These programs are subject to the financial and compliance audits made in accordance with the Office of Management and Budget Circular A-133. The audits of these programs for and including the year ended September 30, 2006 will be issued under a separate report. The amount, if any, of expenditures which may be disallowed by the granting agencies is immaterial to the City's Government-wide Financial Statements.

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**VI. CONDENSED FINANCIAL STATEMENTS FOR THE COMMUNITY  
REDEVELOPMENT AGENCY FUND ARE PRESENTED AS FOLLOWS:**

**COMMUNITY REDEVELOPMENT AGENCY FUND**

**BALANCE SHEET  
September 30, 2006**

**ASSETS**

Cash and cash equivalents	\$ 631,210
Prepaid items	682
Accrued interest receivable	<u>3,045</u>
Total assets	<u>\$ 634,937</u>

**LIABILITIES**

Accounts payable	\$ 34,879
Contracts payable	4,075
Deposits payable	<u>500</u>
Total liabilities	<u>39,454</u>

**FUND BALANCE**

Unreserved, undesignated	<u>595,483</u>
Total fund balance	<u>595,483</u>
Total liabilities and fund balance	<u>\$ 634,937</u>

**CITY OF DUNEDIN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

**VI. CONDENSED FINANCIAL STATEMENTS FOR THE COMMUNITY  
REDEVELOPMENT AGENCY FUND ARE PRESENTED AS FOLLOWS (CONTINUED):**

**COMMUNITY REDEVELOPMENT AGENCY FUND**

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE**

For the Fiscal Year Ended September 30, 2006

**REVENUES**

Taxes:		
Property	\$	482,625
Intergovernmental revenues		-
Charges for services		-
Fines and Forfeitures		-
Impact fees		-
Investment earnings (loss)		33,148
Assessments		-
Rents		(8,005)
Other revenue		<u>27,763</u>
 Total revenues		 <u>535,532</u>

**EXPENDITURES**

Current:		
Economic environment		58,935
Capital projects:		
Economic environment		4,024,553
Debt service:		
Principal		1,050,000
Interest		<u>-</u>
 Total expenditures		 <u>5,133,488</u>
 Excess of revenues over (under) expenditures		  <u>(4,597,956)</u>

**OTHER FINANCING SOURCES (USES)**

Debt proceeds		3,900,000
Transfers in		<u>600,000</u>
 Total other financing sources (uses)		 <u>4,500,000</u>
 Net change in fund balance		 <u>(97,956)</u>
Fund balance - beginning		<u>693,439</u>
 Fund balance - ending		 <u>\$ 595,483</u>

# **Nonmajor Governmental Funds**

## **Special Revenue Funds**

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

### **Government Grants Fund**

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

### **Dunedin Stadium Fund**

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

### **Impact Fees Fund**

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

### **Fine Arts Center Fund**

To account for the City's support to the Dunedin Fine Arts Center. This fund is fully supported by transfers from the General Fund.

### **Community Redevelopment Agency Fund**

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

### **G. Koutsourias Youth Fund**

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

## **Debt Service Funds**

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

### **Harbor View Dredging Debt Service Fund**

To accumulate monies from annual assessments levied on property owners for the payment of annual debt service applicable to Harbor View Villas.

### **Capital Improvement Debt Service Fund**

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

## **Capital Projects Funds**

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

### **Stadium Capital Project Fund**

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

### **County Gas Tax Fund**

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

### **Leisure Services Capital Improvement Fund**

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

### **Capital Improvement Fund**

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

### **Information Technology Project Fund**

To account for the expenditures incurred to upgrade the City's Information Technology Infrastructure. The major funding source is through capital lease proceeds.

City of Dunedin, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2006

D-4

	Special Revenue						Special Revenue Total
	Government Grants	Dunedin Stadium	Impact Fees	Fine Arts Center	Community Redevelopment Agency	G. Koutsourias Youth	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 306	\$ 372,357	\$ 1,352,318	\$ 495	\$ 631,210	\$ 23,018	\$ 2,379,704
Accounts Receivable	-	-	-	-	-	-	-
Assessments/liens receivable, net of allowance for uncollectibles	-	-	-	-	-	-	-
Pledges receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	682	-	682
Accrued interest receivable	2	1,728	6,667	(3)	3,045	111	11,550
Deposits	-	500	-	-	-	-	500
Advances to other funds	-	-	-	-	-	-	-
Restricted assets:							
Temporarily restricted:							
Cash and cash equivalents	-	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 308</b>	<b>\$ 374,585</b>	<b>\$ 1,358,985</b>	<b>\$ 492</b>	<b>\$ 634,937</b>	<b>\$ 23,129</b>	<b>\$ 2,392,436</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 221	\$ 7,418	\$ -	\$ 34,879	\$ -	\$ 42,518
Contracts payable	205	-	-	-	4,075	-	4,280
Deposits payable	-	500	-	-	500	-	1,000
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	79,465	-	-	-	79,465
Other current liabilities	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>205</b>	<b>721</b>	<b>86,883</b>	<b>-</b>	<b>39,454</b>	<b>-</b>	<b>127,263</b>
<b>FUND BALANCES</b>							
Reserved for encumbrances	-	-	-	-	-	-	-
Reserved for public safety programs	103	-	-	-	-	-	103
Reserved for capital projects	-	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-
Unreserved, designated	-	-	-	-	-	-	-
Unreserved, undesignated	-	373,864	1,272,102	492	595,483	23,129	2,265,070
<b>Total fund balances</b>	<b>103</b>	<b>373,864</b>	<b>1,272,102</b>	<b>492</b>	<b>595,483</b>	<b>23,129</b>	<b>2,265,173</b>
<b>Total liabilities and fund balances</b>	<b>\$ 308</b>	<b>\$ 374,585</b>	<b>\$ 1,358,985</b>	<b>\$ 492</b>	<b>\$ 634,937</b>	<b>\$ 23,129</b>	<b>\$ 2,392,436</b>

City of Dunedin, Florida  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2006

	Debt Service		
	Harbor View Dredging	Capital Improvement	Debt Service Total
<b>ASSETS</b>			
Cash and cash equivalents	-	-	-
Accounts receivable	-	-	-
Assessments/liens receivable, net of allowance for uncollectibles	74,107	-	74,107
Pledges receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Prepaid items	-	-	-
Accrued interest receivable	-	-	-
Deposits	-	-	-
Advances to other funds	-	-	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	212,688	100,722	313,410
Accrued interest receivable	1,031	487	1,518
<b>Total assets</b>	<b>\$ 287,826</b>	<b>\$ 101,209</b>	<b>\$ 389,035</b>
<b>LIABILITIES</b>			
Accounts payable	-	-	-
Contracts payable	-	-	-
Deposits payable	-	-	-
Deferred revenue	74,107	-	74,107
Due to other funds	-	-	-
Due to other governments	-	-	-
Other current liabilities	-	-	-
<b>Total liabilities</b>	<b>74,107</b>	<b>-</b>	<b>74,107</b>
<b>FUND BALANCES</b>			
Reserved for encumbrances	-	-	-
Reserved for public safety programs	-	-	-
Reserved for capital projects	-	-	-
Reserved for debt service	213,719	101,209	314,928
Unreserved, designated	-	-	-
Unreserved, undesignated	-	-	-
<b>Total fund balances</b>	<b>213,719</b>	<b>101,209</b>	<b>314,928</b>
<b>Total liabilities and fund balances</b>	<b>\$ 287,826</b>	<b>\$ 101,209</b>	<b>\$ 389,035</b>

City of Dunedin, Florida  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2006

	Capital Projects							Grand Total Nonmajor Governmental Funds
	Stadium Capital Project	County Gas Tax	Leisure Services Capital Improvement	Capital Improvement	Information Technology Project	Capital Projects Total		
<b>ASSETS</b>								
Cash and cash equivalents	\$ 178,507	\$ 1,087,161	\$ 3,018,822	\$ 519,620	\$ 216,348	\$ 5,020,458	\$ 7,400,162	
Accounts receivable	-	-	32,668	-	-	32,668	32,668	
Assessments/fees receivable, net of allowance for uncollectibles	-	-	-	-	-	-	-	
Pledges receivable	-	-	-	-	-	-	-	
Due from other funds	-	27,730	-	-	-	27,730	74,107	
Due from other governments	-	-	-	-	-	-	27,730	
Prepaid items	-	-	-	-	-	-	682	
Accrued interest receivable	866	5,343	13,885	2,507	1,019	23,620	35,170	
Deposits	-	-	-	-	-	-	500	
Advances to other funds	-	-	54,582	-	-	54,582	54,582	
Restricted assets:								
Temporarily restricted:								
Cash and cash equivalents	-	-	-	-	-	-	313,410	
Accrued interest receivable	-	-	-	-	-	-	1,518	
Total assets	\$ 179,373	\$ 1,120,234	\$ 3,119,957	\$ 522,127	\$ 217,367	\$ 5,159,058	\$ 7,940,529	
<b>LIABILITIES</b>								
Accounts payable	-	\$ 3,431	\$ 824,020	\$ 63,026	\$ 64,740	\$ 955,217	\$ 997,735	
Contracts payable	-	-	487,375	7,803	-	495,178	495,458	
Deposits payable	-	-	-	-	-	-	1,000	
Deferred revenue	-	-	-	-	-	-	-	
Due to other funds	-	-	-	-	-	-	-	
Due to other governments	-	-	-	-	-	-	-	
Other current liabilities	-	-	-	-	-	-	153,572	
Total liabilities	-	3,431	1,311,395	70,829	64,740	1,450,395	1,651,765	
<b>FUND BALANCES</b>								
Reserved for encumbrances	-	-	-	-	-	-	-	
Reserved for public safety programs	-	-	-	-	-	-	103	
Reserved for capital projects	-	-	120,248	-	303,257	423,505	423,505	
Reserved for debt service	-	-	-	-	-	-	-	
Unreserved, designated	179,373	-	-	451,298	(150,630)	480,041	480,041	
Unreserved, undesignated	-	1,116,803	1,688,314	-	-	2,805,117	5,385,115	
Total fund balances	179,373	1,116,803	1,808,562	451,298	152,627	3,708,663	6,268,764	
Total liabilities and fund balances	\$ 179,373	\$ 1,120,234	\$ 3,119,957	\$ 522,127	\$ 217,367	\$ 5,159,058	\$ 7,940,529	

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City of Dunedin, Florida  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended September 30, 2006

	Special Revenue						Special Revenue Total
	Government Grants	Dunedin Stadlum	Impact Fees	Fine Arts Center	Community Redevelopment Agency	G. Koutsourias Youth	
<b>REVENUES</b>							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ 482,625	\$ -	\$ 482,625
Intergovernmental revenues	-	797,984	-	-	-	-	797,984
Charges for services	-	290,545	-	-	-	-	290,545
Fines and Forfeitures	-	-	-	-	-	-	-
Impact fees	-	-	183,966	-	-	-	183,966
Investment earnings (loss)	15	16,699	57,280	51	33,148	1,146	108,340
Assessments	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	6,142	6,142
Other revenue	-	31	43,750	-	19,758	-	63,539
Total revenues	15	1,105,259	284,996	51	535,532	7,288	1,933,141
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	58,935	-	58,935
Culture and recreation	-	134,142	-	137,588	-	9,802	281,532
Capital projects:							
General government	-	-	-	-	-	-	-
Public safety	-	-	20,396	-	-	-	20,396
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	45,896	-	-	-	45,896
Economic environment	-	-	-	-	4,024,553	-	4,024,553
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	571,211	-	-	1,050,000	-	1,621,211
Interest	-	528,080	1,740	-	-	-	529,800
Aids and grants	-	-	-	-	-	-	-
Total expenditures	-	1,233,413	68,032	137,588	5,133,488	9,802	6,582,323
Excess of revenues over (under) expenditures	15	(128,154)	216,964	(137,537)	(4,597,956)	(2,514)	(4,649,182)
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt proceeds	-	-	-	-	3,900,000	-	3,900,000
Transfers in	-	299,203	-	136,589	600,000	-	1,035,792
Transfers out	-	(125,000)	-	-	-	-	(125,000)
Total other financing sources (uses)	-	174,203	-	136,589	4,500,000	-	4,810,792
Net change in fund balances	15	46,049	216,964	(948)	(97,956)	(2,514)	161,610
Fund balances - beginning	88	327,815	1,055,138	1,440	693,439	25,643	2,103,563
Fund balances - ending	\$ 103	\$ 373,864	\$ 1,272,102	\$ 492	\$ 595,483	\$ 23,129	\$ 2,265,173

**City of Dunedin, Florida**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2006**

	<u>Debt Service</u>		
	<u>Harbor View</u>	<u>Capital</u>	<u>Debt</u>
	<u>Dredging</u>	<u>Improvement</u>	<u>Service</u>
			<u>Total</u>
<b><u>REVENUES</u></b>			
Taxes:			
Property	\$ 6,452	\$ -	\$ 6,452
Intergovernmental revenues	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Impact fees	38,048	-	38,048
Investment earnings	10,529	4,670	15,199
Assessments	-	-	-
Rents	-	-	-
Contributions and donations	-	-	-
Other revenue	-	-	-
Total revenues	<u>55,029</u>	<u>4,670</u>	<u>59,699</u>
<b><u>EXPENDITURES</u></b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Physical environment	650	-	650
Transportation	-	-	-
Economic environment	-	-	-
Culture and recreation	-	-	-
Capital projects:			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	66,896	88,325	153,221
Interest	8,488	25,663	34,151
Aids and grants	-	-	-
Total expenditures	<u>76,034</u>	<u>111,988</u>	<u>188,022</u>
Excess of revenues			
over (under) expenditures	<u>(21,005)</u>	<u>(107,318)</u>	<u>(128,323)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	-	113,499	113,499
Total other financing sources (uses)	<u>-</u>	<u>113,499</u>	<u>113,499</u>
Net change in fund balances	(21,005)	6,181	(14,824)
Fund balances - beginning	<u>234,724</u>	<u>95,028</u>	<u>329,752</u>
Fund balances - ending	<u>\$ 213,719</u>	<u>\$ 101,209</u>	<u>\$ 314,928</u>

City of Dunedin, Florida  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended September 30, 2006

	Capital Projects						Grand Total Nonmajor Governmental Funds
	Stadium Capital Project	County Gas Tax	Leisure Services Capital Improvement	Capital Improvement	Information Technology Project	Capital Projects Total	
<b>REVENUES</b>							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 489,077
Intergovernmental revenues	-	339,861	-	-	-	339,861	1,137,845
Charges for services	-	-	-	-	-	-	290,545
Fines and forfeitures	-	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-	222,014
Investment earnings	8,647	40,812	279,762	27,368	15,636	372,225	495,764
Assessments	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-
Contributions and donations	-	-	15,832	-	-	15,832	21,974
Other revenue	-	-	1,838	102,478	-	104,316	167,855
Total revenues	<u>8,647</u>	<u>380,673</u>	<u>297,432</u>	<u>129,846</u>	<u>15,636</u>	<u>832,234</u>	<u>2,825,074</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	9,924	8,151	18,075	18,075
Public safety	-	-	-	36,235	-	36,235	36,235
Physical environment	-	-	-	-	-	-	650
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	58,935
Culture and recreation	17,000	-	21,978	69	-	39,047	320,579
Capital projects:							
General government	-	-	-	26,449	346,625	373,074	373,074
Public safety	-	-	-	101,560	-	101,560	121,956
Physical environment	-	-	-	-	-	-	-
Transportation	-	53,602	-	163,586	-	217,188	263,084
Economic environment	-	-	-	-	-	-	4,024,553
Culture and recreation	-	-	7,823,679	187,206	-	8,010,885	8,010,885
Debt service:							
Principal	-	-	-	15,322	-	15,322	1,789,754
Interest	-	-	-	2,065	-	2,065	566,016
Aids and grants	-	-	-	-	-	-	-
Total expenditures	<u>17,000</u>	<u>53,602</u>	<u>7,845,657</u>	<u>542,416</u>	<u>354,776</u>	<u>8,813,451</u>	<u>15,583,796</u>
Deficiency of revenues over (under) expenditures	<u>(8,353)</u>	<u>327,071</u>	<u>(7,548,225)</u>	<u>(412,570)</u>	<u>(339,140)</u>	<u>(7,981,217)</u>	<u>(12,758,722)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt proceeds	-	-	-	-	-	-	3,900,000
Transfers in	-	234,168	321,095	250,000	-	805,263	1,954,554
Transfers out	-	-	(290,292)	-	-	(290,292)	(415,292)
Total other financing sources	<u>-</u>	<u>234,168</u>	<u>30,803</u>	<u>250,000</u>	<u>-</u>	<u>514,971</u>	<u>5,439,262</u>
Net change in fund balances	<u>(8,353)</u>	<u>561,239</u>	<u>(7,517,422)</u>	<u>(162,570)</u>	<u>(339,140)</u>	<u>(7,466,246)</u>	<u>(7,319,460)</u>
Fund balances - beginning	<u>187,726</u>	<u>555,564</u>	<u>9,325,984</u>	<u>613,868</u>	<u>491,767</u>	<u>11,174,909</u>	<u>13,608,224</u>
Fund balances - ending	<u>\$ 179,373</u>	<u>\$ 1,116,803</u>	<u>\$ 1,808,562</u>	<u>\$ 451,298</u>	<u>\$ 152,627</u>	<u>\$ 3,708,663</u>	<u>\$ 6,288,764</u>

City of Dunedin, Florida  
Government Grants Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual  
For the Fiscal Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental revenues:				
Grants - federal	\$ -	\$ -	\$ -	\$ -
Grants - state	-	-	-	-
Grants - local	-	-	-	-
Miscellaneous revenues:				
Interest earnings	-	-	15	15
Contributions and donations	-	-	-	-
Other miscellaneous revenue	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Aids and grants	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
<b><u>OTHER FINANCING SOURCES</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
Fund balances - beginning	<u>88</u>	<u>88</u>	<u>88</u>	<u>-</u>
Fund balances - ending	<u>\$ 88</u>	<u>\$ 88</u>	<u>\$ 103</u>	<u>\$ 15</u>

City of Dunedin, Florida  
Stadium Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual  
For the Fiscal Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services:				
Blue Jay ticket sales	\$ 85,000	\$ 85,000	\$ 200,711	\$ 115,711
Parking/concessions	20,000	20,000	19,834	(166)
Special events	70,000	70,000	70,000	-
Miscellaneous revenues:				
Interest earnings	-	-	16,699	16,699
Other miscellaneous revenue	922,984	922,984	798,015	(124,969)
<b>Total revenues</b>	<u>1,097,984</u>	<u>1,097,984</u>	<u>1,105,259</u>	<u>7,275</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation				
Concessions/novelties	123,222	123,222	134,142	(10,920)
Recreation	-	-	-	-
Capital outlay:	-	-	-	-
Debt service				
Principal	571,211	571,211	571,211	-
Interest	525,976	525,976	528,060	(2,084)
<b>Total expenditures</b>	<u>1,220,409</u>	<u>1,220,409</u>	<u>1,233,413</u>	<u>(13,004)</u>
Excess of revenues over (under) expenditures	<u>(122,425)</u>	<u>(122,425)</u>	<u>(128,154)</u>	<u>(5,729)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	299,203	299,203	299,203	-
Transfers out	(125,000)	(125,000)	(125,000)	-
<b>Total other financing sources (uses)</b>	<u>174,203</u>	<u>174,203</u>	<u>174,203</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>51,778</u>	<u>51,778</u>	<u>46,049</u>	<u>(5,729)</u>
Fund balances - beginning	<u>327,815</u>	<u>327,815</u>	<u>327,815</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 379,593</u>	<u>\$ 379,593</u>	<u>\$ 373,864</u>	<u>\$ (5,729)</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental revenues:				
Transportation impact fees	\$ 45,000	\$ 45,000	\$ 183,966	\$ 138,966
Grants - federal				-
Grants - state	-	-	-	-
Miscellaneous revenues:				
Land dedication fees	1,300,000	1,300,000	43,750	(1,256,250)
Fire facilities fees	10,000	10,000	-	(10,000)
Police facilities fees	8,000	8,000	-	(8,000)
Interest earnings	45,357	45,357	57,280	11,923
Total revenues	<u>1,408,357</u>	<u>1,408,357</u>	<u>284,996</u>	<u>(1,123,361)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public safety	-	-	-	-
Transportation	-	-	-	-
Capital outlay:				
Public safety	-	-	20,396	(20,396)
Transportation	200,000	212,175	45,896	166,279
Culture and recreation	-	-	-	-
Debt service	-	-	1,740	(1,740)
Total expenditures	<u>200,000</u>	<u>212,175</u>	<u>68,032</u>	<u>144,143</u>
Excess of revenues over expenditures	<u>1,208,357</u>	<u>1,196,182</u>	<u>216,964</u>	<u>(979,218)</u>
<b><u>OTHER FINANCING USES</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,208,357	1,196,182	216,964	(979,218)
Fund balances - beginning	<u>1,055,138</u>	<u>1,055,138</u>	<u>1,055,138</u>	<u>-</u>
Fund balances - ending	<u>\$ 253,801</u>	<u>\$ 2,251,320</u>	<u>\$ 1,272,102</u>	<u>\$ (979,218)</u>

City of Dunedin, Florida  
 Fine Arts Center Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual  
 For the Fiscal Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Miscellaneous revenues:				
Interest earnings	\$ -	\$ -	\$ 51	\$ 51
Total revenues	<u>-</u>	<u>-</u>	<u>51</u>	<u>51</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Culture and recreation	63,033	63,033	137,588	(74,555)
Capital:				
Culture and recreation	-	-	-	-
Aids and grants	73,000	73,000	-	73,000
Total expenditures	<u>136,033</u>	<u>136,033</u>	<u>137,588</u>	<u>(1,555)</u>
Excess of revenues over expenditures	<u>(136,033)</u>	<u>(136,033)</u>	<u>(137,537)</u>	<u>(1,504)</u>
<b><u>OTHER FINANCING SOURCES</u></b>				
Transfers in	136,033	136,033	136,589	556
Total other financing sources	<u>136,033</u>	<u>136,033</u>	<u>136,589</u>	<u>556</u>
Net change in fund balances	-	-	(948)	(948)
Fund balances - beginning	<u>1,440</u>	<u>1,440</u>	<u>1,440</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,440</u>	<u>\$ 1,440</u>	<u>\$ 492</u>	<u>\$ (948)</u>

City of Dunedin, Florida  
 Community Redevelopment Agency Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual  
 For the Fiscal Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b><u>REVENUES</u></b>				
Taxes:				
Property	\$ 472,119	\$ 472,119	\$ 482,625	\$ 10,506
Intergovernmental revenues:				
Grants - federal	-	-	-	-
Grants - state	-	-	-	-
Grants - local	100,000	100,000	-	(100,000)
Miscellaneous revenues:				
Investment earnings	8,100	8,100	33,149	25,049
Rent	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	18,000	18,000	19,758	1,758
Total revenues	<u>598,219</u>	<u>598,219</u>	<u>535,532</u>	<u>(62,687)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Economic environment	82,683	82,683	58,935	23,748
Capital projects:				
Economic environment	1,142,000	1,142,000	4,024,553	(2,882,553)
Debt service:				
Principal			1,050,000	
Interest				
Aids and grants				
Total expenditures	<u>1,224,683</u>	<u>1,224,683</u>	<u>5,133,488</u>	<u>(2,858,805)</u>
Deficiency of revenues over (under) expenditures	<u>(626,464)</u>	<u>(626,464)</u>	<u>(4,597,956)</u>	<u>(3,971,492)</u>
<b><u>OTHER FINANCING SOURCES</u></b>				
Debt Proceeds	-	-	3,900,000	3,900,000
Transfers in	600,000	600,000	600,000	-
Total other financing sources	<u>600,000</u>	<u>600,000</u>	<u>4,500,000</u>	<u>3,900,000</u>
Net change in fund balances	(26,464)	(26,464)	(97,956)	(71,492)
Fund balances - beginning	<u>693,439</u>	<u>693,439</u>	<u>693,439</u>	<u>-</u>
Fund balances - ending	<u>\$ 666,975</u>	<u>\$ 666,975</u>	<u>\$ 595,483</u>	<u>\$ (71,492)</u>

City of Dunedin, Florida  
G. Koutsourais Youth Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual  
For the Fiscal Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Miscellaneous revenues:				
Investment earnings	\$ -	\$ -	\$ 1,146	\$ 1,146
Contributions and donations	-	-	6,142	6,142
Other revenues	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>7,288</u>	<u>7,288</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Culture and recreation	-	-	9,802	(9,802)
Capital projects:				
Economic environment	-	-	-	-
Aids and grants	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>9,802</u>	<u>(9,802)</u>
Excess of revenues over expenditures	-	-	(2,514)	(2,514)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Debt proceeds	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(2,514)	(2,514)
Fund balances - beginning	<u>25,643</u>	<u>25,643</u>	<u>25,643</u>	<u>-</u>
<b>Fund balances - ending</b>	<u><b>\$ 25,643</b></u>	<u><b>\$ 25,643</b></u>	<u><b>\$ 23,129</b></u>	<u><b>\$ (2,514)</b></u>

City of Dunedin, Florida  
Harbor View Dredging Debt Service  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual  
For the Fiscal Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Taxes:				
Property	\$ -	\$ -	\$ 6,452	\$ 6,452
Miscellaneous revenues:				
Interest earnings	-	-	10,529	10,529
Impact fees	-	-	38,048	38,048
Total revenues	<u>-</u>	<u>-</u>	<u>55,029</u>	<u>55,029</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Physical environment	-	-	650	(650)
Debt service:				
Principal	-	-	66,896	(66,896)
Interest	-	-	8,488	(8,488)
Total expenditures	<u>-</u>	<u>-</u>	<u>76,034</u>	<u>(76,034)</u>
Deficiency of revenues under expenditures	-	-	(21,005)	(21,005)
Fund balances - beginning	<u>234,724</u>	<u>234,724</u>	<u>234,724</u>	<u>-</u>
Fund balances - ending	<u>\$ 234,724</u>	<u>\$ 234,724</u>	<u>\$ 213,719</u>	<u>\$ (21,005)</u>

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City of Dunedin, Florida  
**Capital Improvement Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
**For the Fiscal Year Ended September 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Miscellaneous revenues:				
Interest earnings	\$ -	\$ -	\$ 4,670	\$ 4,670
Total revenues	<u>-</u>	<u>-</u>	<u>4,670</u>	<u>4,670</u>
<b><u>EXPENDITURES</u></b>				
Debt service:				
Principal	96,071	96,071	86,325	9,746
Interest	17,428	17,428	25,663	(8,235)
Total expenditures	<u>113,499</u>	<u>113,499</u>	<u>111,988</u>	<u>1,511</u>
Deficiency of revenues under expenditures	<u>(113,499)</u>	<u>(113,499)</u>	<u>(107,318)</u>	<u>6,181</u>
<b><u>OTHER FINANCING SOURCES</u></b>				
Transfers in	113,499	113,499	113,499	-
Total other financing sources	<u>113,499</u>	<u>113,499</u>	<u>113,499</u>	<u>-</u>
Net change in fund balances	-	-	6,181	6,181
Fund balances - beginning	<u>95,028</u>	<u>95,028</u>	<u>95,028</u>	<u>-</u>
Fund balances - ending	<u>\$ 95,028</u>	<u>\$ 95,028</u>	<u>\$ 101,209</u>	<u>\$ 6,181</u>

City of Dunedin, Florida  
 Stadium Capital Project Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual  
 For the Fiscal Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Miscellaneous revenues:				
Interest earnings	\$ -	\$ -	\$ 8,647	\$ 8,647
Total revenues	<u>-</u>	<u>-</u>	<u>8,647</u>	<u>8,647</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Culture and recreation	-	-	17,000	(17,000)
Capital projects:				
Culture and recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>17,000</u>	<u>(17,000)</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>(8,353)</u>	<u>(8,353)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Debt proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(8,353)	(8,353)
Fund balances - beginning	<u>187,726</u>	<u>187,726</u>	<u>187,726</u>	<u>-</u>
Fund balances - ending	<u>\$ 187,726</u>	<u>\$ 187,726</u>	<u>\$ 179,373</u>	<u>\$ (8,353)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental revenues:				
Local option gas tax	\$ 310,000	\$ 310,000	\$ 339,861	\$ 29,861
Fines and forfeits	-	-	-	-
Miscellaneous revenues:				
Interest earnings	5,600	5,600	40,812	35,212
Total revenues	<u>315,600</u>	<u>315,600</u>	<u>380,673</u>	<u>65,073</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Transportation	-	-	-	-
Capital projects:				
Transportation	715,000	829,168	53,602	775,566
Aids and grants	-	-	-	-
Total expenditures	<u>715,000</u>	<u>829,168</u>	<u>53,602</u>	<u>775,566</u>
Deficiency of revenues under expenditures	<u>(399,400)</u>	<u>(513,568)</u>	<u>327,071</u>	<u>840,639</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	120,000	234,168	234,168	-
Total other financing sources	<u>120,000</u>	<u>234,168</u>	<u>234,168</u>	<u>-</u>
Net change in fund balances	<u>(279,400)</u>	<u>(279,400)</u>	<u>561,239</u>	<u>840,639</u>
Fund balances - beginning	<u>555,564</u>	<u>555,564</u>	<u>555,564</u>	<u>-</u>
Fund balances - ending	<u>\$ 276,164</u>	<u>\$ 276,164</u>	<u>\$ 1,116,803</u>	<u>\$ 840,639</u>

City of Dunedin, Florida  
 Leisure Services Capital Improvement Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual  
 For the Fiscal Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental revenues:				
Grants - state	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues:				
Bond proceeds	-	-	-	-
Interest earnings	10,494	10,494	279,762	269,268
Contributions	-	-	17,670	17,670
Total revenues	<u>10,494</u>	<u>10,494</u>	<u>297,432</u>	<u>286,938</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	-	-	-
Culture and recreation	-	-	21,978	(21,978)
Capital outlay:				
Culture and recreation	160,000	9,319,747	7,823,679	1,496,068
Aids and grants	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>160,000</u>	<u>9,319,747</u>	<u>7,845,657</u>	<u>1,474,090</u>
Excess of revenues over (under) expenditures	<u>(149,506)</u>	<u>(9,309,253)</u>	<u>(7,548,225)</u>	<u>1,761,028</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Debt proceeds	-	-	-	-
Transfers in	321,095	321,095	321,095	-
Transfers out	-	(290,292)	(290,292)	-
Total other financing sources (uses)	<u>321,095</u>	<u>30,803</u>	<u>30,803</u>	<u>-</u>
Net change in fund balances	171,589	(9,278,450)	(7,517,422)	1,761,028
Fund balances - beginning	<u>9,325,984</u>	<u>9,325,984</u>	<u>9,325,984</u>	<u>-</u>
Fund balances - ending	<u>\$ 9,497,573</u>	<u>\$ 47,534</u>	<u>\$ 1,808,562</u>	<u>\$ 1,761,028</u>

City of Dunedin, Florida  
Capital Improvement Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual  
For the Fiscal Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b><u>REVENUES</u></b>				
Miscellaneous revenues:				
Interest earnings	\$ 5,170	\$ 5,170	\$ 27,368	\$ 22,198
Contributions	-	-	-	-
Sale of fixed assets	-	-	-	-
Other revenue	-	-	102,478	102,478
Total revenues	<u>5,170</u>	<u>5,170</u>	<u>129,846</u>	<u>124,876</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	-	9,924	(9,924)
Public safety	-	-	36,235	(36,235)
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	69	(69)
Capital outlay:				
General government	75,000	85,146	26,449	58,697
Public safety	223,000	288,000	101,560	186,440
Physical environment	-	-	-	-
Transportation	24,000	169,470	163,586	5,884
Economic environment	-	-	-	-
Culture and recreation	-	-	187,206	(187,206)
Debt service				
Principal	-	-	15,322	(15,322)
Interest	-	-	2,065	(2,065)
Total expenditures	<u>322,000</u>	<u>542,616</u>	<u>542,416</u>	<u>200</u>
Deficiency of revenues under expenditures	<u>(316,830)</u>	<u>(537,446)</u>	<u>(412,570)</u>	<u>124,876</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	250,000	250,000	250,000	-
Total other financing sources (uses)	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balances	(66,830)	(287,446)	(162,570)	124,876
Fund balances - beginning	<u>613,868</u>	<u>613,868</u>	<u>613,868</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 547,038</u>	<u>\$ 326,422</u>	<u>\$ 451,298</u>	<u>\$ 124,876</u>

City of Dunedin, Florida  
Information Technology Project Fund  
Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget to Actual  
For the Fiscal Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Charges for services:				
Other charges for services	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues:				
Interest earnings	12,726	12,726	15,636	2,910
Other revenues	-	-	-	-
Total revenues	<u>12,726</u>	<u>12,726</u>	<u>15,636</u>	<u>2,910</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	-	8,151	(8,151)
Capital projects:				
General government	297,300	404,362	346,625	57,737
Total expenditures	<u>297,300</u>	<u>404,362</u>	<u>354,776</u>	<u>49,586</u>
Deficiency of revenues under expenditures	<u>(284,574)</u>	<u>(391,636)</u>	<u>(339,140)</u>	<u>52,496</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Debt proceeds	-	-	-	-
Operating transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(284,574)	(391,636)	(339,140)	52,496
Fund balances - beginning	<u>491,767</u>	<u>491,767</u>	<u>491,767</u>	<u>-</u>
Fund balances - ending	<u>\$ 207,193</u>	<u>\$ 100,131</u>	<u>\$ 152,627</u>	<u>\$ 52,496</u>

# Internal Service Funds

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

## Vehicle Maintenance Fund

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

## Building Maintenance Fund

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

## Self - Insurance Fund

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.

City of Dunedin  
Internal Service Funds  
Combining Statement of Net Assets  
September 30, 2006

	<u>Vehicle Maintenance</u>	<u>Building Maintenance</u>	<u>Self Insurance</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 956,507	\$ 1,007,148	\$ 3,348,342	\$ 5,311,997
Cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Inventories	94,961	-	-	94,961
Prepaid items	-	-	-	-
Interest receivable	4,601	4,902	16,297	25,800
Deposits	-	-	40,000	40,000
Total current assets	<u>1,056,069</u>	<u>1,012,050</u>	<u>3,404,639</u>	<u>5,472,758</u>
Noncurrent assets:				
Capital assets:				
Buildings	464,718	973,182	-	1,437,900
Improvements other than buildings	4,744	-	-	4,744
Machinery and equipment	10,060,705	88,916	4,757	10,154,378
Construction-in-progress	-	31,695	-	31,695
Less: accumulated depreciation	<u>(6,675,367)</u>	<u>(371,427)</u>	<u>(3,164)</u>	<u>(7,049,958)</u>
Total capital assets, net of accumulated depreciation	<u>3,854,800</u>	<u>722,366</u>	<u>1,593</u>	<u>4,578,759</u>
Total assets	<u>4,910,869</u>	<u>1,734,416</u>	<u>3,406,232</u>	<u>10,051,517</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	55,113	15,879	19,898	90,890
Contracts payable	-	-	-	-
Accrued salaries payable	5,940	11,247	860	18,047
Due to other funds	-	-	-	-
Contracts payable	-	-	-	-
Accrued interest payable	25,258	-	-	25,258
Capital leases payable - current	590,573	-	-	590,573
Total current liabilities	<u>676,884</u>	<u>27,126</u>	<u>20,758</u>	<u>724,768</u>
Noncurrent liabilities:				
Advance from other funds	-	-	-	-
Capital leases payable	293,289	-	-	293,289
Compensated absences	88,925	150,663	30,397	269,985
Claims liabilities	-	-	605,224	605,224
Total noncurrent liabilities	<u>382,214</u>	<u>150,663</u>	<u>635,621</u>	<u>1,168,498</u>
Total liabilities	<u>1,059,098</u>	<u>177,789</u>	<u>656,379</u>	<u>1,893,266</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	3,561,511	722,366	1,593	4,285,470
Restricted for capital assets	-	-	-	-
Unrestricted	290,260	834,261	2,748,260	3,872,781
Total net assets	<u>\$ 3,851,771</u>	<u>\$ 1,556,627</u>	<u>\$ 2,749,853</u>	<u>\$ 8,158,251</u>

**City of Dunedin**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**For the Fiscal Year Ended September 30, 2006**

	<b>Vehicle Maintenance</b>	<b>Building Maintenance</b>	<b>Self Insurance</b>	<b>Total</b>
<b>Operating revenues:</b>				
Charges for services	\$ 3,326,828	\$ 1,414,424	\$ 2,040,836	\$ 6,782,088
Miscellaneous revenue	446	20,672	198,985	220,103
Total operating revenues	<u>3,327,274</u>	<u>1,435,096</u>	<u>2,239,821</u>	<u>7,002,191</u>
<b>Operating expenses:</b>				
Personal services	531,064	1,053,507	86,946	1,671,517
Supplies and services	1,453,770	419,983	1,838,970	3,712,723
Depreciation	1,022,520	61,263	1,532	1,085,315
Total operating expenses	<u>3,007,354</u>	<u>1,534,753</u>	<u>1,927,448</u>	<u>6,469,555</u>
Operating income / (loss)	<u>319,920</u>	<u>(99,657)</u>	<u>312,373</u>	<u>532,636</u>
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	51,533	45,787	151,608	248,928
Grant Revenue	-	-	-	-
Interest/amortization expense	(12,082)	-	-	(12,082)
Gain on sale of capital assets	25,885	-	-	25,885
Total nonoperating revenues (expenses)	<u>65,336</u>	<u>45,787</u>	<u>151,608</u>	<u>262,731</u>
Income before contributions and transfers	385,256	(53,870)	463,981	795,367
Transfers in	90,884	264,801	-	355,685
Transfers out	-	-	(5,350)	(5,350)
Change in net assets	476,140	210,931	458,631	1,145,702
Total net assets - beginning	<u>3,375,631</u>	<u>1,345,696</u>	<u>2,291,222</u>	<u>7,012,549</u>
<b>Total net assets - ending</b>	<b><u>\$ 3,851,771</u></b>	<b><u>\$ 1,556,627</u></b>	<b><u>\$ 2,749,853</u></b>	<b><u>\$ 8,158,251</u></b>

City of Dunedin  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ended September 30, 2006

	<u>Vehicle Maintenance</u>	<u>Building Maintenance</u>	<u>Self Insurance</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 3,326,828	\$ 1,414,424	\$ 2,131,448	\$ 6,872,700
Payments to suppliers	(1,575,958)	(413,487)	(1,919,354)	(3,908,799)
Payments to employees	(528,816)	(1,056,037)	(78,925)	(1,663,778)
Other operating revenue	446	20,672	198,985	220,103
Net cash provided by (used in) operating activities	<u>1,222,500</u>	<u>(34,428)</u>	<u>332,154</u>	<u>1,520,226</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	90,884	264,801	-	355,685
Transfers out	-	-	(5,350)	(5,350)
Net cash used by noncapital financing activities	<u>90,884</u>	<u>264,801</u>	<u>(5,350)</u>	<u>350,335</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sale of assets	25,885	-	-	25,885
Purchase of capital assets	(890,595)	(139,319)	-	(1,029,914)
Principal paid on capital debt	(719,988)	-	-	(719,988)
Interest paid on capital debt	(47,657)	-	-	(47,657)
Net cash provided by (used in) capital and related financing activities	<u>(1,632,355)</u>	<u>(139,319)</u>	<u>-</u>	<u>(1,771,674)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment earnings	50,120	43,171	142,828	236,119
Net cash provided by investing activities	<u>50,120</u>	<u>43,171</u>	<u>142,828</u>	<u>236,119</u>
Net increase (decrease) in cash and cash equivalent:	(268,851)	134,225	469,632	335,006
Cash and cash equivalents - October 1	<u>1,225,358</u>	<u>872,923</u>	<u>2,878,710</u>	<u>4,976,991</u>
Cash and cash equivalents - September 30	<u>\$ 956,507</u>	<u>\$ 1,007,148</u>	<u>\$ 3,348,342</u>	<u>\$ 5,311,997</u>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>				
Operating income / (loss)	\$ 319,920	\$ (99,657)	\$ 312,373	\$ 532,636
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	1,022,520	61,263	1,532	1,085,315
Decrease in due from other governments	-	-	90,612	90,612
(Increase) decrease in				
Inventories	(8,755)	-	-	(8,755)
Prepaid items	96	88	-	184
Increase (decrease) in				
Accounts payable	(113,529)	6,408	6,845	(100,276)
Accrued expenses	240	333	43	616
Claims liabilities	-	-	(87,229)	(87,229)
Compensated absences	2,008	(2,863)	7,978	7,123
Total adjustments	<u>902,580</u>	<u>65,229</u>	<u>19,781</u>	<u>987,590</u>
Net cash provided by (used in) operating activities	<u>\$ 1,222,500</u>	<u>\$ (34,428)</u>	<u>\$ 332,154</u>	<u>\$ 1,520,226</u>

# 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 Funds

### **Firefighters' Retirement Fund**

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

### **Defined Contribution Plan Fund**

To account for the accumulation of resources to be used for retirement of non-special risk employees hired after December 31, 1995; the City contributes 10% of the employee's wages.

City of Dunedin  
Combining Statement of Fiduciary Net Assets  
Fiduciary Funds  
September 30, 2006

	<b>Firefighters' Retirement Pension Plan</b>	<b>Defined Contribution Pension Plan</b>	<b>Total</b>
<b>ASSETS</b>			
Investments	\$ 15,037,172	\$ 3,369,415	\$ 18,406,587
Due from other governments	45,988	-	45,988
Prepaid items	793	-	793
Accrued interest/dividends receivable	216,709	-	216,709
Total assets	<u>15,300,662</u>	<u>3,369,415</u>	<u>18,670,077</u>
<b>LIABILITIES</b>			
Accounts payable	<u>215,727</u>	-	<u>215,727</u>
Total liabilities	<u>215,727</u>	<u>-</u>	<u>215,727</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits	<u>\$ 15,084,935</u>	<u>\$ 3,369,415</u>	<u>\$ 18,454,350</u>

City of Dunedin  
Combining Statement of Changes In Fiduciary Net Assets  
Fiduciary Funds  
September 30, 2006

	<u>Firefighters' Retirement Pension Plan</u>	<u>Defined Contribution Pension Plan</u>	<u>Total</u>
<b>ADDITIONS:</b>			
Contributions:			
Employer	\$ 442,846	\$ 746,752	\$ 1,189,598
Plan members	143,030	-	143,030
Total contributions	<u>585,876</u>	<u>746,752</u>	<u>1,332,628</u>
Investment earnings:			
Net appreciation in fair value of investments	557,641	68,092	625,733
Interest	259,544	34,911	294,455
Dividends	176,501	36,167	212,668
Total investment earnings	<u>993,686</u>	<u>139,170</u>	<u>1,132,856</u>
Less investment expenses	(144,352)	-	(144,352)
Net investment earnings	<u>849,334</u>	<u>139,170</u>	<u>988,504</u>
Miscellaneous revenue	<u>208,084</u>	<u>-</u>	<u>208,084</u>
Total additions	<u>1,643,294</u>	<u>885,922</u>	<u>2,529,216</u>
<b>DEDUCTIONS:</b>			
Benefits	944,237	-	944,237
Administrative expenses	<u>8,649</u>	<u>101,165</u>	<u>109,814</u>
Total deductions	<u>952,886</u>	<u>101,165</u>	<u>1,054,051</u>
Change in net assets	690,408	784,757	1,475,165
Net assets - beginning	<u>14,394,527</u>	<u>2,584,658</u>	<u>16,979,185</u>
Net assets - ending	<u>\$ 15,084,935</u>	<u>\$ 3,369,415</u>	<u>\$ 18,454,350</u>

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# Statistical Section

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

Contents	Page
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.....	E-1
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.....	E-8
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.....	E-12
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.....	E-17
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.....	E-20

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

## **Financial Trends**

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

	2006	2005	2004	2003	2002
<b><u>Governmental activities:</u></b>					
Invested in capital assets, net of related debt	\$ 29,656,802	\$ 19,580,030	\$ 25,673,683	\$ 21,070,522	\$ 22,043,814
Restricted	1,452,082	11,747,673	2,263,755	4,122,498	3,286,461
Unrestricted	21,095,377	15,959,974	15,434,163	13,621,877	13,368,752
Total governmental activities net assets	<u>\$ 52,204,261</u>	<u>\$ 47,287,677</u>	<u>\$ 43,371,601</u>	<u>\$ 38,814,897</u>	<u>\$ 38,699,027</u>
<b><u>Business type activities:</u></b>					
Invested in capital assets, net of related debt	44,330,427	46,477,869	45,351,725	45,740,661	41,411,092
Restricted	4,677,025	4,443,428	4,897,856	5,240,067	8,149,659
Unrestricted	5,042,180	4,144,475	6,374,375	5,789,297	11,484,870
Total business type activities net assets	<u>\$ 54,049,632</u>	<u>\$ 55,065,772</u>	<u>\$ 56,623,956</u>	<u>\$ 56,770,025</u>	<u>\$ 61,045,621</u>
<b><u>Primary government:</u></b>					
Invested in capital assets, net of related debt	73,987,229	66,057,899	71,025,408	66,811,183	63,454,906
Restricted	6,128,107	16,191,101	7,161,611	9,362,565	11,436,120
Unrestricted	26,137,557	20,104,449	21,808,538	19,411,174	24,853,622
Total primary government activities net assets	<u>\$ 106,253,893</u>	<u>\$ 102,353,449</u>	<u>\$ 99,995,557</u>	<u>\$ 95,584,922</u>	<u>\$ 99,744,648</u>

\* GASB 34 implemented in Fiscal Year 2002

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

	2006	2005	2004	2003	2002
<b>EXPENSES</b>					
<b>Governmental activities:</b>					
General government	\$ 2,489,508	\$ 2,177,358	\$ 1,616,858	\$ 1,747,698	\$ 3,018,658
Public safety	11,453,193	11,287,223	10,279,511	10,035,496	8,383,178
Physical environment	650	834	23,346	3,640	9,534
Transportation	2,125,973	2,258,259	1,337,617	1,905,403	2,161,199
Economic development	58,935	88,207	91,417	34,645	24,352
Culture and recreation	9,009,384	9,559,058	8,071,251	7,758,198	6,719,422
Interest on long term debt	1,085,875	837,648	904,118	828,206	795,984
<b>Total governmental activities expenses</b>	<b>26,223,518</b>	<b>26,208,587</b>	<b>22,324,118</b>	<b>22,313,286</b>	<b>21,112,327</b>
<b>Business type activities:</b>					
Solid waste	4,619,519	5,156,394	4,541,315	4,199,414	3,747,332
Water / sewer utility	14,490,880	14,197,584	14,278,420	13,479,564	12,069,996
Reclaimed water	1,622,107	1,478,474	1,453,574	1,485,628	1,321,665
Stormwater utility	1,196,132	1,207,654	1,173,210	1,255,618	850,376
Marina	432,949	353,576	252,462	275,201	227,441
Golf course	682,164	595,229	470,054	371,330	
<b>Total business type activities expenses</b>	<b>23,043,750</b>	<b>22,988,910</b>	<b>22,169,035</b>	<b>21,066,755</b>	<b>18,216,810</b>
<b>Total primary government expenses</b>	<b>\$ 49,267,268</b>	<b>\$ 49,197,497</b>	<b>\$ 44,493,153</b>	<b>\$ 43,380,041</b>	<b>\$ 39,329,137</b>
<b>PROGRAM REVENUES</b>					
<b>Governmental activities:</b>					
Charges for services	5,514,108	4,731,225	4,241,434	4,336,349	4,635,066
Operating grants and contributions	543,267	588,149	465,311	363,014	452,791
Capital grants and contributions	1,375,691	3,664,873	2,417,088	1,728,855	1,525,889
<b>Total governmental activities program revenues</b>	<b>7,433,066</b>	<b>8,984,247</b>	<b>7,123,833</b>	<b>6,428,218</b>	<b>6,613,746</b>
<b>Business type activities:</b>					
Charges for services	21,323,934	20,188,223	20,268,203	17,513,348	16,284,424
Operating grants and contributions	-	-	3,666	-	-
Capital grants and contributions - parking fee	316,281	290,976	613,275	1,626,430	1,781,874
<b>Total business type activities revenues</b>	<b>21,640,215</b>	<b>20,479,199</b>	<b>20,885,144</b>	<b>19,139,778</b>	<b>18,066,298</b>
<b>Total primary government program revenues</b>	<b>\$ 29,073,281</b>	<b>\$ 29,463,446</b>	<b>\$ 28,008,977</b>	<b>\$ 25,567,996</b>	<b>\$ 24,680,044</b>
<b>NET EXPENSE</b>					
Governmental activities	(18,790,452)	(17,224,340)	(15,200,285)	(15,885,068)	(14,498,581)
Business type activities	(1,403,595)	(2,508,711)	(1,283,891)	(1,926,977)	(150,512)
<b>Total primary government net (expense) / revenue</b>	<b>\$ (20,193,987)</b>	<b>\$ (19,734,051)</b>	<b>\$ (16,484,176)</b>	<b>\$ (17,812,045)</b>	<b>\$ (14,649,093)</b>

\* GASB 34 implemented in Fiscal Year 2002

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

	2006	2005	2004	2003	2002
<b>Governmental activities:</b>					
<b>Taxes:</b>					
Property taxes	\$ 8,844,774	\$ 7,662,303	\$ 7,063,015	\$ 6,016,687	\$ 5,416,600
Utility service taxes	4,253,827	4,085,884	4,134,755	4,306,796	4,178,073
Infrastructure sales surtax	3,603,251	3,509,710	3,163,833	2,995,546	2,932,069
Half cent sales tax	2,178,564	2,131,371	2,068,375	1,955,366	1,912,625
Franchise taxes	2,618,432	2,222,492	2,094,111	2,004,600	1,905,024
Other taxes	-	439,041	434,986	127,504	132,934
State revenue sharing	1,411,285	1,370,847	1,158,923	904,694	903,506
Grants and contributions not restricted to specific programs	-	21,397	20,833	36,586	7,981
Unrestricted investment earnings	825,776	302,899	303,299	235,644	556,865
Gain / (loss) on sale of capital assets	25,885	(54,221)	976	17,562	(59,295)
Transfers	(54,758)	(561,305)	(686,117)	(145,014)	(1,974,455)
<b>Total governmental activities expenses</b>	<u>23,707,036</u>	<u>21,140,418</u>	<u>19,756,989</u>	<u>18,455,991</u>	<u>15,911,927</u>
<b>Business type activities:</b>					
Unrestricted investment earnings	332,637	415,439	454,492	480,696	841,387
Loss on sale of capital assets	-	(25,215)	(2,787)	(86,543)	(103,807)
Transfers	54,758	561,305	686,117	145,014	1,974,455
<b>Total business type activities</b>	<u>387,395</u>	<u>951,529</u>	<u>1,137,822</u>	<u>539,167</u>	<u>2,712,035</u>
<b>Total primary government</b>	<u>\$ 24,094,431</u>	<u>\$ 22,091,947</u>	<u>\$ 20,894,811</u>	<u>\$ 18,995,158</u>	<u>\$ 18,623,962</u>
<b>CHANGE IN NET ASSETS</b>					
Governmental activities	4,916,584	3,916,078	4,556,704	2,570,923	1,413,346
Business type activities	(1,016,140)	(1,558,182)	(146,069)	(1,387,810)	2,561,523
<b>Total primary government</b>	<u>\$ 3,900,444</u>	<u>\$ 2,357,896</u>	<u>\$ 4,410,635</u>	<u>\$ 1,183,113</u>	<u>\$ 3,974,869</u>

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

Fiscal Year	Property	Franchise	Utility Service	Total
1997	\$ 4,551,547	\$ 1,777,519	\$ 2,830,466	\$ 9,159,532
1998	4,668,305	1,834,959	3,098,110	9,601,374
1999	4,417,122	2,059,117	3,293,445	9,769,684
2000	4,654,231	2,019,343	3,369,613	10,043,187
2001	4,984,444	2,364,513	3,606,292	10,955,249
2002	5,416,600	1,905,024	4,178,073	11,499,697
2003	6,016,687	2,004,600	4,306,796	12,328,083
2004	7,063,015	2,094,111	4,134,755	13,291,881
2005	7,662,303	2,222,492	4,095,884	13,980,679
2006	8,844,774	2,618,432	4,253,827	15,717,033

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

	2006	2005	2004	2003	2002
<b>General fund:</b>					
Reserved	\$ 1,172,899	\$ 1,186,618	\$ 1,391,468	\$ 1,358,170	\$ 1,044,435
Unreserved	7,382,400	6,657,589	7,058,463	6,903,068	7,872,962
<b>Total general fund</b>	<b>\$ 8,555,299</b>	<b>\$ 7,844,207</b>	<b>\$ 8,449,931</b>	<b>\$ 8,261,238</b>	<b>\$ 8,917,397</b>
<b>All other governmental funds:</b>					
Reserved, reported in:					
Special revenue funds	478,190	11,533,793	2,989,856	3,284,822	4,743,357
Unreserved, reported in:					
Special revenue funds	7,473,489	4,676,052	2,675,596	1,199,498	759,361
Capital projects funds	3,545,504	1,393,716	1,291,290	2,335,611	1,662,641
<b>Total all other governmental funds</b>	<b>\$ 11,497,183</b>	<b>\$ 17,603,561</b>	<b>\$ 6,956,742</b>	<b>\$ 6,819,731</b>	<b>\$ 7,165,359</b>

## **Revenue Capacity**

City of Dunedin, Florida  
**Change in Fund Balances - Governmental Funds**  
 Last Five Fiscal Years <sup>1</sup>  
 (modified accrual basis of accounting)

	2006	2005	2004	2003	2002
<b>REVENUES</b>					
Taxes	\$ 15,717,033	\$ 13,980,679	\$ 13,291,881	\$ 12,328,083	\$ 11,499,697
Licenses, fees and permits	840,240	962,809	639,369	555,621	542,938
Intergovernmental	8,824,756	10,444,576	9,028,401	7,888,959	7,557,007
Charges for services	5,066,509	4,825,858	5,021,375	4,482,710	3,205,305
Fines and forfeits	229,994	176,260	280,435	228,503	147,986
Interest earnings	1,069,178	419,102	283,811	284,889	754,730
Miscellaneous	889,520	1,563,088	1,101,400	1,095,500	750,774
<b>Total revenues</b>	<u>32,637,230</u>	<u>32,372,372</u>	<u>29,646,672</u>	<u>26,864,265</u>	<u>24,458,437</u>
<b>EXPENDITURES</b>					
General government	3,598,907	3,241,021	3,053,704	2,978,568	2,709,928
Public safety	10,741,490	10,533,630	9,601,978	8,829,569	8,101,083
Physical environment	650	834	23,346	3,640	9,534
Transportation	1,905,992	1,992,043	1,915,753	1,729,077	2,087,885
Economic development	58,935	86,207	91,417	34,411	19,552
Culture and recreation	8,020,637	7,781,134	7,089,003	6,513,513	5,927,263
Debt service					
Principal	2,252,986	2,877,448	940,349	1,051,871	1,018,718
Interest	937,599	772,714	658,745	708,873	739,314
<b>Total expenditures</b>	<u>27,517,196</u>	<u>27,287,031</u>	<u>23,374,295</u>	<u>21,849,542</u>	<u>20,613,277</u>
<b>Excess of revenues over expenditures</b>	5,120,034	5,085,341	6,272,377	5,014,723	3,845,160
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital outlay					
Sale of capital assets	(13,930,227)	(3,989,158)	(9,963,391)	(4,843,057)	(13,659,424)
Aids and grants	(80,000)	(17,232)	(223,351)	(130,334)	(118,900)
Debt proceeds	3,900,000	9,784,806	4,900,000	-	1,193,904
Transfers in	2,292,929	1,434,793	1,941,309	3,655,949	7,388,270
Transfers out	(2,698,022)	(2,257,455)	(2,601,240)	(4,699,068)	(9,301,711)
<b>Total other financing sources (uses)</b>	<u>(10,515,320)</u>	<u>4,955,754</u>	<u>(5,946,673)</u>	<u>(6,016,510)</u>	<u>(14,497,861)</u>
<b>Net change in fund balances</b>	<u>\$ (5,385,286)</u>	<u>\$ 10,041,095</u>	<u>\$ 325,704</u>	<u>\$ (1,001,787)</u>	<u>\$ (10,652,701)</u>
<b>Debt service as a percentage of noncapital expenditures</b>	<u>8.9%</u>	<u>11.8%</u>	<u>4.2%</u>	<u>5.1%</u>	<u>5.2%</u>

City of Dunedin, Florida  
 General Governmental Expenditures and Transfers by Function<sup>1</sup>  
 Last Ten Fiscal Years<sup>2</sup>

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Economic Environment	Culture and Recreation	Capital Outlay	Debt Service	Transfers Out	Other	Total
1997	\$ 2,377,826	\$ 6,365,085	\$ -	\$ 1,164,395	\$ 23,980	\$ 4,903,220	\$ 1,495,429	\$ 357,352	\$ 2,985,366	\$ -	\$ 19,672,863
1998	2,490,562	6,540,084	-	1,295,119	52,048	4,690,454	1,467,030	321,290	2,975,710	47,140	19,879,437
1999	2,592,965	6,738,701	-	1,277,323	17,396	5,087,445	2,823,262	383,420	4,034,986	217,217	23,172,715
2000	2,649,740	6,985,014	-	1,415,125	30,752	5,154,231	2,970,597	427,951	3,734,371	188,674	23,556,455
2001	2,678,492	7,519,792	-	1,380,579	16,552	5,566,053	5,304,436	1,191,106	5,234,139	130,817	28,021,966
2002	2,709,928	8,095,414	3,883	1,610,750	19,652	5,927,263	14,147,879	1,758,032	9,301,711	118,900	43,693,312
2003	2,978,588	8,829,569	3,640	1,729,077	34,411	6,513,513	4,843,057	1,760,744	4,699,066	130,334	31,522,001
2004	3,053,704	9,601,978	23,346	1,915,753	91,417	7,089,003	9,963,391	1,599,094	2,601,240	223,351	36,162,277
2005	3,241,021	10,533,630	834	1,992,043	88,207	7,781,134	3,989,158	3,650,162	2,257,455	17,232	33,550,876
2006	3,598,907	10,741,490	650	1,905,992	58,935	8,020,637	13,930,227	3,190,565	2,698,022	80,000	44,225,445

<sup>1</sup> Includes general, special revenue, debt service and capital projects funds.

<sup>2</sup> 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.

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

Fiscal Year	Real Property					Less:		Total Taxable Assessed Value		Total Direct Taxable Rate <sup>1</sup>	Estimated Actual Value	Annual Percentage Change
	Residential Property	Commercial Property	Personal Property	Tax Exempt Property	Property	Property	Value	Value				
1997	\$ 930,047,000	\$ -	\$ 95,241,220	\$ -	\$ -	\$ 1,025,288,220	4.5740	\$ 95,241,220	-			
1998	952,660,400	-	100,715,760	-	-	1,053,376,160	4.5740	100,715,760	5.7%			
1999	997,872,330	-	104,742,990	-	-	1,102,615,320	4.1166	104,742,990	4.0%			
2000	1,039,333,140	-	120,760,140	-	-	1,160,093,280	4.1166	120,760,140	15.3%			
2001	1,116,536,710	-	123,146,410	-	-	1,239,683,120	4.1166	123,146,410	2.0%			
2002	1,209,259,620	-	126,843,340	-	-	1,336,102,960	4.1166	126,843,340	3.0%			
2003	1,336,079,740	-	126,792,910	-	-	1,462,872,650	4.1166	126,792,910	0.0%			
2004	1,479,772,000	-	127,929,960	-	-	1,607,701,960	4.4253	127,929,960	0.9%			
2005	1,632,193,900	-	127,960,240	-	-	1,760,154,140	4.4253	127,960,240	0.0%			
2006	1,873,992,400	-	123,476,459	-	-	1,997,468,859	4.4253	123,476,459	-3.5%			

<sup>1</sup> Tax rates are expressed in rates per \$1,000.

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

Fiscal Year	City	County	School	Transit District	EMS	Other	Total
1997	4.5740	5.5100	9.1760	0.6697	0.7410	1.6561	22.3268
1998	4.5740	5.5380	9.1330	0.6697	0.7130	1.6561	22.2838
1999	4.1166	5.5380	9.1100	0.6501	0.7130	1.6561	21.7838
2000	4.1166	5.8540	8.6660	0.6501	0.6470	0.4220	20.3557
2001	4.1166	6.0040	8.4330	0.6501	0.7470	1.6562	21.6069
2002	4.1166	6.1410	8.4870	0.6501	0.6600	1.6562	21.7109
2003	4.1166	6.1410	8.4490	0.6319	0.6600	1.6562	21.7109
2004	4.4253	6.1410	8.2430	0.6319	0.6600	1.6562	21.7574
2005	4.4253	6.1410	8.1220	0.6377	0.6600	1.6557	21.6417
2006	4.4253	6.1410	8.3900	0.6377	0.6600	1.6555 (1)	21.9095

(1) Other includes:

Pinellas County Planning Council	0.0218
Juvenile Welfare Board	0.8117
Southwest Florida Water Management District	0.4220
Anclote River Basin	0.4000
	<u>1.6555</u>

City of Dunedin, Florida  
Principal Taxpayers  
Last Two Fiscal Years

Taxpayer	September 30, 2006		September 30, 2005	
	Taxable Assessed Value	Percentage of Total Assessed Valuation	Taxable Assessed Value	Percentage of Total Assessed Valuation
MacAlpine Place Apt.	\$ 30,600,000	1.53%	\$ 27,600,000	1.57%
Chesapeake Apartments	14,350,000	0.72%	13,500,000	0.77%
Orangeland Vistas, Inc.	10,350,000	0.52%	10,025,000	0.57%
Odyssey DP	9,800,000	0.49%	8,400,000	0.48%
Lessor, Jason K.	9,570,000	0.48%	8,670,000	0.49%
Nielson Media Research, Inc.	9,000,000	0.45%	9,533,200	0.54%
Publix Supermarkets, Inc	7,905,000	0.40%	7,345,000	0.42%
Olympia Development Group	7,306,400	0.37%	6,801,400	0.39%
Scottish Towers	7,300,000	0.37%	6,900,000	0.39%
Dallas / Corp Square	7,250,000	0.36%	-	-
SES Group - Windemere	-	-	6,650,800	0.38%
<b>SUB-TOTAL:</b>	<b>113,431,400</b>	<b>5.69%</b>	<b>105,425,400</b>	<b>6.00%</b>
<b>ALL OTHERS:</b>	<b>1,894,035,459</b>	<b>94.31%</b>	<b>1,654,728,740</b>	<b>94.00%</b>
<b>TOTAL:</b>	<b>\$ 1,997,466,859</b>	<b>100.00%</b>	<b>\$ 1,760,154,140</b>	<b>100.00%</b>

Source: Pinellas County Property Appraiser

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

Fiscal Year	Taxable Assessed Valuation	Millage Tax Rate	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy
1997	\$ 1,025,288,220	4.5740	\$ 4,689,668	\$ 4,539,456	96.8	\$ 12,091	\$ 4,551,547	97.1
1998	1,053,376,160	4.5740	4,818,143	4,657,905	96.7	10,400	4,668,305	96.9
1999	1,102,615,320	4.1166	4,539,026	4,400,126	96.9	16,996	4,417,122	97.3
2000	1,160,093,280	4.1166	4,775,640	4,646,928	97.3	7,302	4,654,230	97.5
2001	1,239,683,120	4.1166	5,103,280	4,979,917	97.6	4,527	4,984,444	97.7
2002	1,336,102,960	4.1166	5,500,201	5,404,247	98.3	12,353	5,416,600	98.5
2003	1,465,153,950	4.1166	6,031,453	5,775,310	95.8	18,885	5,794,195	96.1
2004	1,607,701,960	4.4253	7,114,563	6,758,409	95.0	19,296	6,777,705	95.3
2005	1,760,154,140	4.4253	7,789,210	7,294,487	93.7	21,835	7,316,322	93.9
2006	1,997,488,859	4.4253	8,839,399	8,327,443	94.2	28,254	8,355,697	94.5

City of Dunedin, Florida  
Ratios of Outstanding Debt by Type

Fiscal Year	Governmental Activities		Business Type Activities		Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	Special Assessment Bonds	Capital Leases	Sewer Bonds	Capital Leases			
1997							
1998							
1999							
2000							
2001							
2002							
2003							
2004							
2005							
2006	\$ 25,818,165	\$ 911,361	\$ 14,005,615	\$ -	\$ 40,735,141	3.04%	\$ 1,084

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements  
<sup>1</sup> See the schedule of Demographic and Economic Statistics on page E-17 for personal income and population data

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## **Debt Capacity**

City of Dunedin, Florida  
 Computation of Direct and Overlapping Bonded Debt  
 General Obligation Bonds  
 September 30, 2006

GOVERNMENTAL UNIT	NET DEBT OUTSTANDING	APPLICABLE TO CITY OF DUNEDIN	
		PERCENT <sup>1</sup>	AMOUNT
Pinellas County School Board	\$ 37,312,705	3.520%	\$ 1,313,407
Total overlapping debt			1,313,407
Total direct debt <sup>2</sup>			-
Total direct and overlapping debt			1,313,407
Overall debt to F/Y 2003 taxable value			0.07%
Overall debt to per capita			\$ 34.96

<sup>1</sup> Applicable net debt percentage is based on ratio of City to County taxable values

<sup>2</sup> The City of Dunedin currently does not have any general obligation debt.

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

Fiscal Year	Gross Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Revenue Available for		Debt Service Requirements <sup>3</sup>	Coverage Ratio
			Operating Expenses <sup>2</sup>	Debt Service		
1997	\$ 12,733,169	\$ 8,484,476	\$ 4,248,693	\$ 2,349,289	1.81	
1998	12,339,698	8,911,124	3,428,574	2,377,067	1.44	
1999	12,243,400	9,230,569	3,012,831	2,389,721	1.26	
2000	12,407,343	9,262,585	3,144,758	2,418,001	1.30	
2001	12,754,343	8,599,158	4,155,185	2,536,574	1.64	
2002	12,903,529	8,934,854	3,968,675	2,674,907	1.48	
2003	13,727,330	10,875,971	2,851,359	2,490,469	1.14	
2004	15,674,310	11,840,458	3,833,852	2,315,772	1.65	
2005	15,078,269	11,728,757	3,349,512	1,924,713	1.74	
2006	16,012,925	12,115,834	3,897,091	1,944,756	2.00	

<sup>1</sup> Total revenues (including investment income), exclusive of impact fees, from the Water/Sewer, Stormwater and Reclaimed Water Funds.

<sup>2</sup> Operating expenses are the costs of operation and maintenance of the system, exclusive of depreciation.

<sup>3</sup> Includes principal and interest of water and sewer revenue bonds and debt issued in parity with the water and sewer revenue bonds. It does not include debt defeasance transactions.

City of Dunedin, Florida  
Schedule of Debt Service Ratio

Description	Actual September 30 2006	Budget September 30 2006	Proposed Budget September 30 2007
Total Governmental Revenues	\$ 32,637,230	\$ 32,324,305	\$ 33,379,131
Internal Service Revenues:			
Rental Income	20,657	21,562	22,318
Non-Operating:			
Investment earnings	248,928	109,030	145,504
Total Internal Services Revenues	<u>269,585</u>	<u>130,592</u>	<u>167,822</u>
Total Annual Revenues - September 30	<u>32,906,815</u>	<u>32,454,897</u>	<u>33,546,953</u>
Total Annual General Government Debt Service exclusive of Enterprise Funds, Internal Service Funds and Special Assessment Debt Service	<u>2,188,630</u>	<u>2,021,464</u>	<u>2,459,919</u>
Debt Service Ratio	<u>6.65%</u>	<u>6.23%</u>	<u>7.33%</u>
Total Capacity Debt Service (12.5%)	4,113,352	4,056,862	4,193,369
Less: Current Debt Service	2,188,630	2,021,464	2,459,919
Excess Debt Service Available	<u>1,924,722</u>	<u>2,035,398</u>	<u>1,733,450</u>
Excess Outstanding Debt Service Available			
10 Years	15,229,782	16,105,532	13,716,302
20 Years	25,036,660	26,476,329	22,548,609

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

Debt Description	September 30 2005	September 30 2006	Proposed Budget September 30 2007
IT Project	\$ 376,246	\$ -	\$ -
Documatch System	23,520	23,520	-
Spring Training Facilities - Bank of America	1,075,185	1,035,185	1,075,185
Blue Jays - Spring Training Facilities	24,086	24,086	24,086
Palm Boulevard - Sunbank	112,047	111,988	113,498
Capital Improvement Bond - MLK / Shapiro property	577,546	583,805	585,806
Community Center	-	242,880	661,344
<b>Total Annual General Government Debt Service</b>	<b>\$ 2,188,630</b>	<b>\$ 2,021,464</b>	<b>\$ 2,459,919</b>

## **Demographic and Economic Information**

City of Dunedin, Florida  
Demographic Statistics  
Last Ten Fiscal Years

Fiscal Year	Population <sup>1</sup>	Per Capita Income <sup>2</sup>	Median Age <sup>3</sup>	School Enrollment <sup>4</sup>	Unemployment Rate / Percent <sup>5</sup>
1997	35,586	\$ 25,765	43.3	5,108	2.8
1998	35,700	27,311	43.6	4,846	2.6
1999	35,781	28,367	43.9	4,929	2.4
2000	35,691	30,633	44.2	4,834	2.0
2001	36,574	31,658	43.0	4,967	3.4
2002	36,865	31,321	43.0	4,960	3.7
2003	37,081	32,408	43.9	5,019	3.4
2004	37,217	33,167	43.7	4,996	3.1
2005	37,426	33,316	44.0	5,014	2.9
2006	37,574	35,607	44.2	4,879	2.6

Data Source:

- <sup>1</sup> City of Dunedin Community Services Department.
- <sup>2</sup> University of Florida Bureau of Economic and Business Research. Data is for Pinellas County.
- <sup>3</sup> County level data, but should also approximate Dunedin levels.
- <sup>4</sup> Pinellas County School Board for Public Schools in Dunedin.
- <sup>5</sup> Florida Department of Labor and Employment Security. Data is for Pinellas County up through 1996. Data thereafter is for the City of Dunedin.



City of Dunedin, Florida  
 Full-time Equivalent City Government Employees  
 as of September 30

Function	2006
General Government	62
Public Safety	
Fire	24
Paramedics	33
Culture and recreation	101
Highways and streets	
Engineering	15
Maintenance	16
Facilities	23
Fleet Services	9
Solid Waste	28
Water	32
Wastewater	45
Stormwater	14
<b>TOTAL</b>	<b>402</b>

Source: Government Budget Office

## **Operating Information**

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

Function	2006
<b>Fire</b>	
Number of calls answered	108
EMS responses	5,472
Other calls	1,295
Inspections	1,007
Investigations	71
<b>Highways and streets</b>	
Streets paved (miles)	130
Streets unimproved (miles)	3
Street lights	3,540
<b>Culture and recreation</b>	
Recreation facilities - parks (acres)	322.0
Recreation facilities - beaches (acres)	36.6
Library materials	136,350
Library annual circulation	412,569
Library registered borrowers	17,302
<b>Solid waste</b>	
Customers serviced	14,390
Refuse / recycling collected (tons)	51,414
<b>Water</b>	
New connections - regular	11,363
New connections - reclaimed	3,233
Average daily consumption - regular (000's)	3,616,000
Average daily consumption - reclaimed (000's)	3,173,000
Operating wells	26
<b>Sewer (wastewater)</b>	
Miles of sanitary sewers	128
Lift stations	42
Average daily sewage treatment (000's)	4,900,000

Source: Various government departments / budget department

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

Function	2006
<b>Fire</b>	
Fire stations	3
<b>Culture and recreation</b>	
Marina (slips)	194
Public boat ramps	1
Parks	22
Golf courses	2
Swimming pools	1
Tennis courts	11
Baseball fields	12
Softball fields	3
Soccer / football fields	4
Baseball stadium / training facility (seating capacity)	5,500
Basketball - indoor courts	1
Basketball - outdoor courts	5
Multi-purpose indoor court	1
Senior center	1
Community center	1
Recreation centers	3
Nature center	1
Picnic areas	7
Fishing areas	7
Utility playfields	4
State and county parks	4
<b>Water</b>	
Water mains (miles)	166
Water plants	1
Fire hydrants	1,185
<b>Sewer (wastewater)</b>	
Mains	165
Treatment plants	1
Storm sewers (miles)	38

Source: Various government departments / budget department