

CITY OF DUNEDIN, FL. FISCAL YEAR ENDING September 30, 2015



Comprehensive Annual Financial Report

“Dedicated to Quality Service”



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CITY OF DUNEDIN, FLORIDA

Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2015

CITY COMMISSION

JULIE WARD BUJALSKI
Mayor

HEATHER GRACY
Vice Mayor

JOHN TORNGA
Commissioner

BRUCE LIVINGSTON
Commissioner

DEBORAH KYNES
Commissioner

CITY MANAGER

ROBERT DISPIRITO

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, 2015

TABLE OF CONTENTS

INTRODUCTORY SECTION:

List of Elected and Appointed Officials	i
Letter of Transmittal	1
Organizational Chart	5
GFOA Certificate of Achievement	6

FINANCIAL SECTION:

Independent Auditors' Report	9
Management's Discussion and Analysis	11

Basic Financial Statements:

Government-wide Financial Statements:	
Statement of Net Position	26
Statement of Activities	27
Fund Financial Statements:	
Balance Sheet - Governmental Funds	28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	32
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - One Cent Sales Tax Fund	33
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Community Redevelopment Agency	34
Statement of Net Position - Proprietary Funds	36
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	39
Statement of Fiduciary Net Position - Fiduciary Funds	42
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	43
Notes to Financial Statements	45

Required Supplementary Information:

Florida Retirement System (FRS) Defined Benefit Pension Plan	94
Firefighters Pension Plan	96
Post Employment Benefit Plan	98

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet - Nonmajor Governmental Funds	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	102
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Nonmajor Governmental Funds:	
Stadium Fund	104
Impact Fees Fund	105

**City of Dunedin, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2015**

TABLE OF CONTENTS

FINANCIAL SECTION (CONT.):

Combining and Individual Fund Statements and Schedules (cont.):

Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Nonmajor Governmental Funds:	
Dunedin Library Cooperative	106
County Gas Tax Fund.....	107
Parks and Recreation Capital Improvement Fund	108
Capital Improvement Fund	109
Combining Statement of Net Position - Internal Service Funds	112
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds	113
Combining Statement of Cash Flows - Internal Service Funds.....	114

STATISTICAL SECTION:

Financial Trends:

Net Position by Component.....	118
Changes in Net Position.....	119
General Governmental Tax Revenues by Source - Last Ten Fiscal Years	121
Fund Balances – Governmental Funds – Last Ten Fiscal Years.....	122
Change in Fund Balances – Governmental Funds - Last Ten Fiscal Years	123
General Governmental Expenditures and Transfers by Function - Last Ten Fiscal Years	124

Revenue Capacity:

Taxable Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	126
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	127
Principal Property Taxpayers – Current Year and Ten Years Ago.....	128
Property Tax Levies and Collections – Last Ten Fiscal Years	129

Debt Capacity:

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	132
Direct and Overlapping Governmental Activities Debt.....	133
Revenue Bond Coverage – Water and Sewer Revenue Bonds – Last Ten Fiscal Years.....	134
Revenue Bond Coverage – Stormwater Revenue Bonds	135
Schedule of Debt Service Ratio	136
Schedule of Total Annual General Government Debt Service – Last Two Fiscal Years plus Next Year.....	137

Demographic and Economic Information:

Demographic and Economic Statistics – Last Ten Fiscal Years.....	140
Principal Employers – Current Year and Nine Years Ago	141

Operating Information:

Full-Time Equivalent City Government Employees.....	144
Operating Indicators by Function	145
Capital Asset and Facility Statistics by Function.....	146

**City of Dunedin, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2015**

TABLE OF CONTENTS

SINGLE AUDIT & OTHER REPORTS:

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Finance Statements Performed in Accordance with Government Auditing Standards	149
Independent Auditor’s Report on Compliance for each Major State Project and on Internal Control over Compliance and report on Schedule of Expenditures of State Financial Assistance in Accordance with Chapter 10.550, Rules of the Auditor General	151
Schedule of Expenditures of State Financial Assistance	154
Schedule of Findings and Questioned Costs.....	155
Independent Accountant’s Report.....	156
Summary Schedule of Prior Audit Findings	157
Independent Auditor’s Management Letter	158

OTHER SUPPLEMENTARY INFORMATION

Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill	163
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May 5, 2016

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

Mayor, Commissioners and Citizens:

We hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Dunedin, Florida for the fiscal year ended September 30, 2015. This report fulfills the requirements set forth in Florida Statutes Chapter 218.39 and Rules of the Auditor General of the State of Florida, Chapter 10.550. This report presents a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP), and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants.

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

The City's financial statements have been audited in accordance with Generally Accepted Auditing Standards by Moore Stephens Lovelace, P.A. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for fiscal year ended September 30, 2015 are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City of Dunedin's financial statements for the year ended September 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

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

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

Profile of the Government

The City, incorporated in June 1899, is located in the western part of the state, bordering the north side of Clearwater, Florida. The City currently occupies a land area of 10 square miles and serves a population of approximately 35,700. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by State statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

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

The City Commission is required to hold two (2) public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., fire). Department Heads may make transfers of appropriations within a department and fund. Transfers of appropriations between funds, however, require the approval of the City Commission. Budget-to-Actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, Community Redevelopment Agency Fund, and the One Cent Sales Tax Fund, these comparisons are presented on pages 32 - 34 as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, these comparisons are presented on pages 104 - 109.

Local economy

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

Pinellas County School System, Mease Dunedin Hospital (a medical complex), Publix, the City of Dunedin, Mease Manor (a retirement facility), the Pinellas County Sheriff and Coca-Cola North America. The service industry (banking, retailing, personal services, etc.) has risen significantly to meet the demands of the area's population. Some local demographic data is presented below.

As of September 2015, the City's total labor force was 17,702 people and unemployment was at 5.0 percent, which is nearly the same unemployment rate as the State of Florida (5.1%). As of 2015, the City's total population was 35,410. The median age was 54.0 years of age, and median household income was \$41,428, while the State median income is \$47,212 based on the most recent census data. Approximately 29 percent of Dunedin's residents were of retirement age (65 and over) in 2015. The local economy is also influenced during the winter months by a seasonal population of approximately 4,000 people.

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

Financial strategies that have helped the City through the economic downturn include reductions in operating costs via reorganizations and streamlining. After several years of declining revenue collection, the City is experiencing slow growth. Ad valorem taxes collected for fiscal year 2007, when property values were at their peak, were \$9,028,457. In fiscal year 2014, ad valorem taxes collected were \$7,040,424, which is a 22.0% decline in this revenue source since fiscal year 2007. However, total taxable assessed value increased \$117,047,079 or by 6.24% from \$1,759,398,960 in fiscal year 2014 to \$1,876,446,039 in fiscal year 2015. Ad valorem taxes, in fiscal year 2015, represent approximately 23.6% of General Fund revenues.

Sales tax revenues in the One Cent Sales Tax Fund have increased from \$3,192,877 in fiscal year 2014, to \$3,436,710 in fiscal year 2015, an increase of 7.6% or \$243,833. Additionally, it is up \$419,063 or 13.9% from fiscal year 2007.

During this same period, General Fund operating costs have decreased from \$25,611,235 in fiscal year 2007 to \$24,707,438 in fiscal year 2015, or by 3.5%, and the General Fund fund balance has decreased from \$8,587,201 to \$7,820,718, a decrease of 8.9%. When excluding the one-time revenue source received this year (i.e. BP Settlement), the revised fund balance is \$4,890,772, a decrease of 43.0%.

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

Long-term financial planning and major initiatives

During December of 2014, the City issued \$6,120,000 Stormwater System Revenue Bonds, Series 2014. The purpose of incurring the debt was to finance and/or reimburse the costs of design, permitting, acquisition, construction and reconstruction of improvements to the Stormwater System. Also, the City issued \$6,505,000 Sales Tax Refunding Revenue Bond, Series 2015, on January 23, 2015. The purpose of incurring the debt was to fully advance refund all amounts outstanding of

\$10,000,000 Sales Tax Revenue Bonds, Series 2005. More information can be found in the Financial Statement notes, Note IV.B., Long-Term Debt.

Unassigned fund balance, in the General Fund at year end, was \$6,414,126 or 82.0% of fund balance, and 24.0% of the fiscal year 2016 operating budget. When excluding the one-time revenue source received this year (i.e. BP Settlement), unassigned fund balance is \$3,484,180 or 13.1% of the 2016 operating budget. The goal for unassigned fund balance at year end is to be 15% of the next year's operating budget.

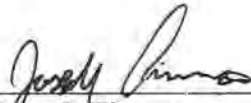
The City approved a Strategic Plan in 2010, which is the cornerstone of the City's service and operations delivery. The City's first step in allocating available resources is gaining an understanding of the needs and desires of the residents of Dunedin, as well as the environmental factors that will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

Acknowledgements

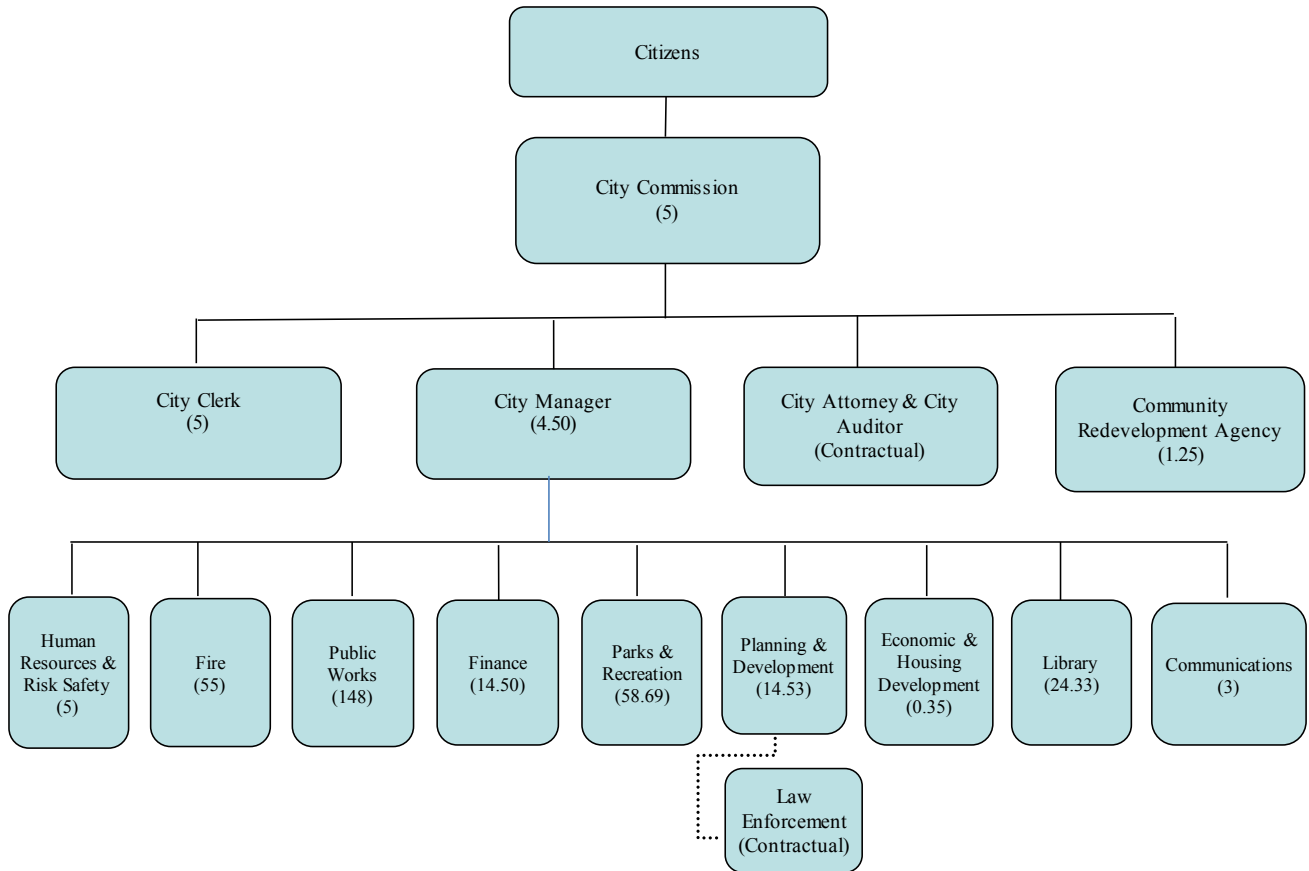
Preparation of the CAFR and completion of the audit was made possible by the dedicated efforts of everyone in the Finance Department. Special appreciation is expressed to Scott Caterson for his technical expertise and incorporating numerous quality controls into the CAFR. Also, special thanks to Scott Caterson and Ashley Kimpton for preparing year-end journal entries and assisting with the preparation of the financial statements, notes and RSI and to Jason Miller and Allison Broihier for assisting with the statistical section and budget. Special appreciation is expressed to Tanya Hart for accurate recording of all year-end accounts payable and to Lori Wagner for reconciling and accurately reporting all accounts receivable especially utility billing. Appreciation is expressed to Chuck Ankney for reconciling and preparing all capital asset reports and Ashley Singh for assisting with correspondence during the audit, and printing, binding, and distributing the final CAFR. Recognition is given to Kathy Oster, CPA, CGFO for coordinating the preparation of the CAFR, year-end closing activities and managing the audit process. We would also like to express our appreciation to the Mayor and the City Commission for their support, and the firm of Moore Stephens Lovelace P.A. who provided their expertise through this audit.

Respectfully submitted,


Doug Hutchens
Interim City Manager


Joseph Ciurro
Director of Finance

Adopted FY 2015 Organization Chart with Full Time Equivalents (FTEs)



Total authorized FTEs = 339.15

City of Dunedin, Florida
Certificate of Achievement

For the year ended September 30, 2014

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dunedin, Florida, for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

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

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Dunedin
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO



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MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dunedin, Florida (the "City") as of and for the fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2015, and the respective changes in financial position, and cash flows, where applicable, and the budgetary to actual for the Major Funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter – Change in Accounting Principle

In discussed in Note A to the financial statements, in the fiscal year ended September 30, 2015, the City adopted the provisions of Government Accounting Standards Board Statement (GASBS) Number 68, "Accounting and Financial Reporting for Pensions" and GASBS 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." As a result of the implementation of GASBS 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2014. Our opinions are not modified with respect to this matter.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida

May 5, 2016

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, 2015. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal.

Financial Highlights

- The City's assets and deferred outflows of \$186,161,203, exceeded its liabilities and deferred inflows at the close of fiscal year 2015 by \$134,880,759 (*net position*), an increase of \$3,882,072 (3.0%) in net position compared to the restated prior year balance. This increase is the result of governmental net position increasing \$3,943,483 (5.2%) during the year along with the business-type net position decreasing \$61,411 (-0.1%).
 - Of this net position amount, \$89,788,520 (66.6%) is invested in capital assets and \$7,790,137 (5.8%) is restricted. The remaining \$37,302,102 (27.7%) represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens, creditors and other agencies.
 - The City restated net position for both governmental and business-type activities. The restatement was a result of the City adopting the provisions of Governmental Accounting Standards Board (GASB) Statement Nos. 68 and 71. For more information on this restatement, see Note VII.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,261,466 an increase of \$5,364,285 (60.3%) in comparison with the prior year combined ending fund balances. Approximately 45% of this amount, \$6,414,126, is in *unassigned fund balance*, and therefore available for spending at the City's discretion. The remainder is restricted, committed, or assigned for open contracts, programs, debt, etc.
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$7,457,315, or approximately 25.9% of total general fund expenditures.
- The City's total outstanding debt increased by \$3,250,521 (9.3%) during the current fiscal year. Debt service payments did not exceed new debt obligations. Debt for Governmental Activities decreased a net total of \$1,682,479 (14.0%). This is a result of new debt issuance and scheduled debt service payments. Debt for Business-type Activities increased \$4,933,000 (21.6%) as a result of scheduled debt service payments. These changes are illustrated later in the MD&A in the "Outstanding Debt" table and in the notes to the financial statements concerning long-term liabilities (see Note IV.B., Long-Term Debt).

Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 26 – 27 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar 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 nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the one cent sales tax fund, and the community redevelopment agency fund, all of which are considered major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its governmental funds with an adopted Plan for the subsequent fiscal year. Budgetary comparison statements demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28 – 34 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its solid waste, water and wastewater utility, stormwater utility and marina operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle maintenance, building maintenance, 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 fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on each enterprise activity, all of which are considered to be major funds of the City. Conversely, the 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 are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 36 – 40 of this report.

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

The fiduciary fund financial statements can be found on pages 42 – 43 of this report.

Notes to the financial statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 45 – 92 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees. Required supplementary information regarding pension funding can be found on page 94 – 98 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 100 – 109 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Dunedin, assets and deferred inflows (\$186,161,203) exceeded liabilities and deferred outflows (\$51,280,444) by \$134,880,759 as of September 30, 2015.

As illustrated in the table on the next page, the largest portion of the City's net position (65.0%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, improvements other than buildings, and machinery and equipment), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its residents. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, *restricted net position* at \$7,790,137 or 5.8%, represents resources that are subject to external restrictions on how they may be used, e.g., for debt and capital improvements. Restricted net position increased 29.3% or \$1,765,282 during

the year. The increase is largely due to revenues exceeding expenditures by \$1,733,007 in the one-cent sales tax fund. Funds are available for future spending on capital projects.

The remaining balance of *unrestricted net position* \$37,302,102 increased \$8,174,230 or 28.1% during the year, and is used to meet the City's ongoing obligations to citizens and creditors.

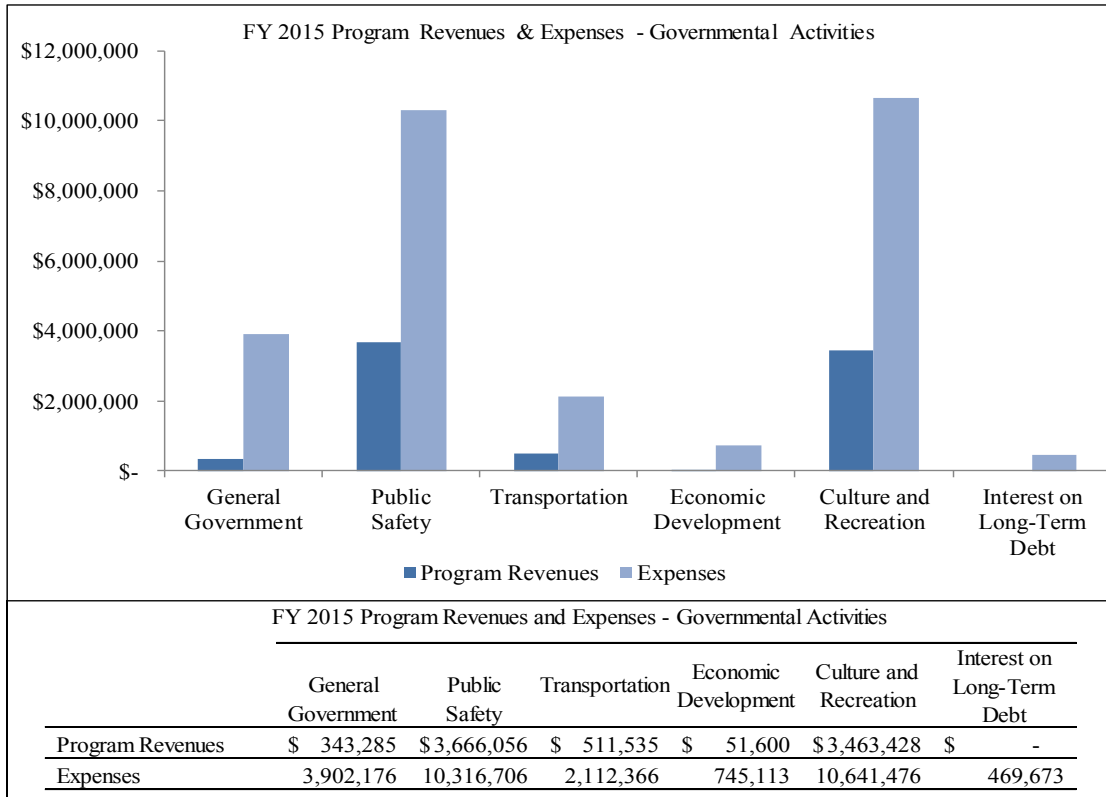
City of Dunedin, Florida Net Position September 30, 2014 and 2015						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 20,755,667	\$ 15,022,905	\$ 34,825,766	\$ 27,484,931	\$ 55,581,433	\$ 42,507,836
Capital Assets	74,548,020	77,816,875	54,557,132	57,510,809	129,105,152	135,327,684
Total Assets	95,303,687	92,839,780	89,382,898	84,995,740	184,686,585	177,835,520
Deferred Outflow of Resources	1,181,716	-	292,902	-	1,474,618	-
Current liabilities	1,238,683	2,011,022	2,966,870	3,397,537	4,205,553	5,408,559
Long-term liabilities outstanding:						
Due within one year	1,451,040	1,966,659	1,361,294	1,231,465	2,812,334	3,198,124
Due in more than one year	11,423,749	12,553,843	28,713,066	23,883,981	40,136,815	36,437,824
Net pension liability	1,626,236	-	1,265,362	-	2,891,598	-
Total Liabilities	15,739,708	16,531,524	34,306,592	28,512,983	50,046,300	45,044,507
Deferred Inflow of Resources	798,585	-	435,559	-	1,234,144	-
Net Position:						
Net investment in capital assets	64,170,000	64,104,251	25,618,520	33,534,035	89,788,520	97,638,286
Restricted	6,506,661	4,840,593	1,283,476	1,184,262	7,790,137	6,024,855
Unrestricted	9,270,449	7,363,412	28,031,653	21,764,460	37,302,102	29,127,872
Total net position	\$ 79,947,110	\$ 76,308,256	\$ 54,933,649	\$ 56,482,757	\$ 134,880,759	\$ 132,791,013

Governmental activities. How the City's net position changed during the most recent fiscal year is reflected in the statement of activities, a summary of which is shown in the table on the next page. This statement divides the activities between governmental activities and business-type activities. Governmental activities increased the City's net position by \$3,943,483 after transfers. Key elements of this change are as follows:

- Revenues were down \$1,206,011 totaling \$32,170,322 compared to last year's total of \$33,376,333. Charges for services increased \$335,962 or 5.86%. Property tax revenue increased by 7.18% from fiscal year 2014. Reduced grant revenue was the primary factor in the overall reduction of revenues.
- Receipts for grant monies were down \$2,334,278. Current year grant monies totaled \$4,896,606 compared to \$7,230,884 in fiscal year 2014.
- Total expenses were up \$583,914 (2.1%), after being up \$797,349 (3.0%) in fiscal 2014.

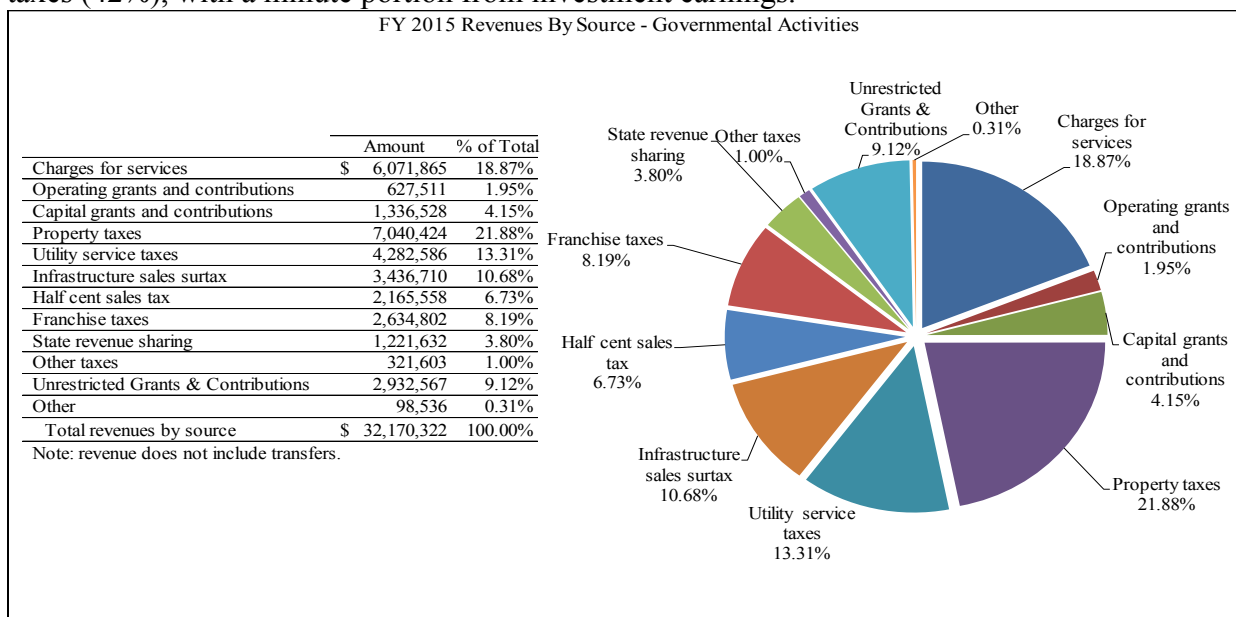
City of Dunedin, Florida
Changes in Net Position
September 30, 2014 and 2015

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues						
Charges for services	\$ 6,071,865	\$ 5,735,903	\$ 23,882,673	\$ 23,541,576	\$ 29,954,538	\$ 29,277,479
Operating grants and contributions	627,511	511,380	-	-	627,511	511,380
Capital grants and contributions	1,336,528	6,719,504	334,300	1,375,017	1,670,828	8,094,521
General revenues:						
Property taxes	7,040,424	6,569,073	-	-	7,040,424	6,569,073
Utility services taxes	4,282,586	4,446,105	-	-	4,282,586	4,446,105
Intergovernmental revenues	9,458,702	9,020,788	-	-	9,458,702	9,020,788
Other taxes	321,603	351,802	-	-	321,603	351,802
Grants and contributions not restricted to specific programs	2,932,567	-	-	-	2,932,567	-
Other	98,536	21,778	327,714	121,671	426,250	143,449
Total Revenues	32,170,322	33,376,333	24,544,687	25,038,264	56,715,009	58,414,597
Expenses:						
General government	3,902,176	3,941,552	-	-	3,902,176	3,941,552
Public safety	10,316,706	10,476,788	-	-	10,316,706	10,476,788
Transportation	2,112,366	2,135,489	-	-	2,112,366	2,135,489
Economic development	745,113	488,187	-	-	745,113	488,187
Culture and recreation	10,641,476	10,136,799	-	-	10,641,476	10,136,799
Interest on long-term debt	469,673	424,781	-	-	469,673	424,781
Solid waste	-	-	4,588,418	5,229,076	4,588,418	5,229,076
Water/Sewer utility	-	-	16,326,720	15,970,790	16,326,720	15,970,790
Stormwater utility	-	-	3,360,965	3,037,098	3,360,965	3,037,098
Marina	-	-	369,324	345,892	369,324	345,892
Golf Course	-	-	-	594	-	594
Total Expenses	28,187,510	27,603,596	24,645,427	24,583,450	52,832,937	52,187,046
Increase (decrease) in net position before transfers	3,982,812	5,772,737	(100,740)	454,814	3,882,072	6,227,551
Transfers	(39,329)	1,369,394	39,329	(1,369,394)	-	-
Increase (decrease) in net position after transfers	3,943,483	7,142,131	(61,411)	(914,580)	3,882,072	6,227,551
Restated net position-beginning	76,308,256	69,166,125	56,482,757	57,397,337	132,791,013	126,563,462
Cumulative effect of adoption of GASB Nos. 68 and 71	(304,629)	-	(1,487,697)	-	(1,792,326)	-
Net position as of September 30	\$ 79,947,110	\$ 76,308,256	\$ 54,933,649	\$ 56,482,757	\$ 134,880,759	\$ 132,791,013



As the bar chart above illustrates, governmental activities typically do not pay for themselves. For example, culture and recreation expenses of \$10,641,476 exceed the \$3,463,428 in revenues.

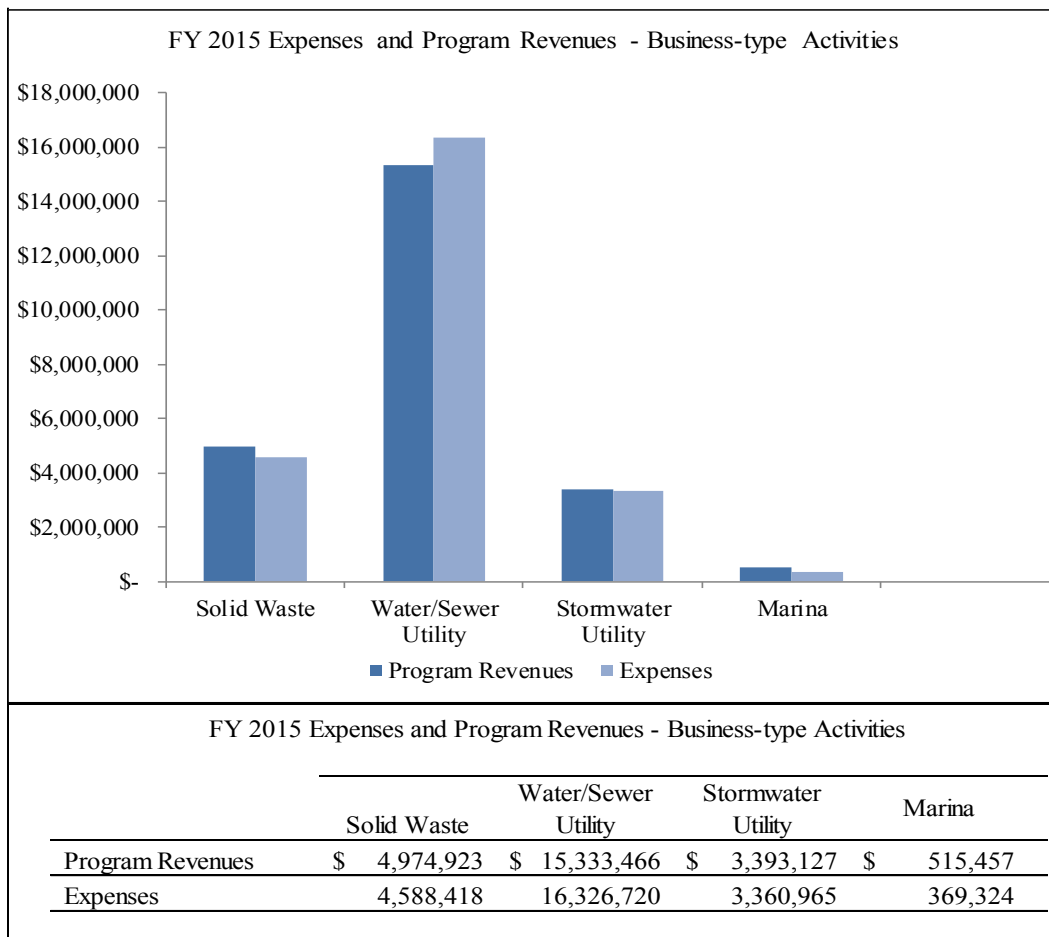
The pie chart below shows that overall, 34% of offsetting revenues for governmental activity expenses come from specific charges for services (18.8%) and grants (15.2%). The remaining 66% of revenue supporting governmental activities comes from property taxes (22%) and other taxes (42%), with a minute portion from investment earnings.



Business-type activities. Business type activities decreased the City’s net position by \$100,740 before transfers and decreased it by \$61,411 after transfers. Key elements of this decrease are as follows:

- Operating expenses for business-type activities increased 3.3% (\$761,450) from fiscal year 2014. Revenues increased \$341,097, or 1.4%.
- Charges for services revenues for business-type activities remained relatively unchanged increasing by \$17,845 (0.1%).
 - Solid waste operating revenues were up \$170,893 or 3.6%, from \$4,775,203 to \$4,946,096.
 - Water and wastewater utility operating revenues were down \$105,876 or 0.7%, from \$15,253,874 to 15,147,998.
 - Stormwater utility operating revenues increased \$316,696 or 10.7%, from \$2,956,426 to \$3,273,122.
- Business-type activities had net transfers in of \$39,329 for FY 2015 compared to FY2014 when these activities had a net transfer out of \$141,452.

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



Fund Level Financial Analysis

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,261,466 an increase of \$5,364,285 in comparison with the prior fiscal year. Approximately 45% of this amount (\$6,414,126) constitutes unassigned fund balance, which is available for spending. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned*, to indicate that it is 1) not in spendable form (\$13,339), 2) legally required to be maintained intact (\$6,505,661), 3) committed for particular purposes (\$561,370), or 4) assigned for particular purposes (\$765,970).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,414,126, while total fund balance increased 91.7% to \$7,820,718. As a measure of general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 25.9% of total general fund expenditures for the current fiscal year, while total fund balance represents 27.15% of that same amount.

The fund balance of the City's general fund increased \$3,740,062 (91.7%) during the current fiscal year.

- The general fund 'Final Budget' budgeted for a deficit of \$806,239 excluding transfers and sale of general fixed assets. At fiscal year-end, actual revenues surpassed budgeted revenues by \$3,582,899. Actual expenditures were \$478,852 under budget, resulting in a total surplus of \$3,255,512 before transfers and sale of general fixed assets.
- On August 27, 2015 the City received its share of the BP oil spill settlement of \$2,929,946 accounting for 78.3% on the general fund increase. Without the one-time settlement, the general fund increased \$810,116 or 19.85%.
- Revenues, at \$27,962,950, increased \$4,144,902 from fiscal year 2014 revenues of \$23,818,048.

The one-cent sales tax fund has a total fund balance of \$4,282,417, all of which is restricted. The net increase in fund balance during the current year in the one-cent sales tax fund was \$1,733,007.

- The revenues from the current fiscal year were \$3,448,680 while the expenditures were \$1,067,989. Of that expenditure amount, \$786,275 (73.7%) was spent on debt service.
- Total revenues decreased \$87,618, or 2.48%, compared to fiscal year 2014.
- Total expenditures decreased \$590,814, or 123.8%, compared to fiscal year 2014.

The community redevelopment agency (CRA) fund has a total fund balance of \$487,771. The CRA fund balance increased \$28,200 during the year.

- The revenues from the current fiscal year were \$504,411, including \$449,990 in property tax revenue, while expenditures were \$466,811. Total revenues increased \$69,214, or 15.9%, compared to fiscal year 2014. Property tax revenues, the main source of revenue for the CRA, increased \$57,598 (14.68%) from fiscal year 2014.
- Total expenditures decreased \$51,087, or 9.9%, compared to fiscal year 2014.

As noted earlier the City maintains nine individual governmental funds. The three listed above are all considered major funds. The other six governmental funds are considered non-major governmental funds. During the current fiscal year, the City determined that two of the non-major governmental funds were no longer needed to segregate specific activities or for compliance with legal requirements.

- Balance of \$33,761 in the library cooperative fund was transferred to the general fund. All other library expenditures are recorded in the general fund and given the spending levels, a segregated fund was deemed unnecessary.
- Balance of \$44,254 in the parks and recreation capital improvement fund was transferred to the general fund. Capital projects will be budgeted in the general fund or one-cent sales tax fund.

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

- In fiscal year 2015, the City implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions*. As a result, the beginning net position for Solid Waste, Water/Sewer, and Stormwater were decreased; \$293,732, \$1,064,098, and \$129,867 respectively.
- In the solid waste fund, net position increased \$44,309 (5.3%) from fiscal year 2014. This was a result of the \$293,732 decrease noted above and an increase of \$338,041 from current year activities resulting from charges for services revenue of \$192,528 and a decrease in supplies and services expenses of \$330,370 compared to fiscal year 2014.
- In the water/wastewater fund, net position decreased \$1,444,978 (-4.2%) from fiscal year 2014. This was a result of the \$1,064,098 decrease noted above and an additional decrease of \$380,880 from current year activities. The current year loss was largely due to an operating loss of \$708,531 which was partially offset by a \$520,000 transfer in from the solid waste fund to repay of an interfund loan.
- In the stormwater fund, net position decreased \$688,110 (5.8%) from fiscal year 2014. This was result of the \$129,867 decrease noted on the previous page and an additional

decrease of \$558,243 from current year activity. The current year decrease was largely due to a transfer out of \$598,300 to repay an interfund loan to the solid waste fund.

- In the marina fund, net position increased \$204,222 (10.28%) from fiscal year 2014. Operating revenues continue to exceed operating expenditures. Operating revenue is down \$40,616 over fiscal year 2014 by 7.3%. While operating expenses increased \$21,926 or 6.2% from the prior year.

General Fund Budgetary Highlights

Original budget compared to final budget

Revenues. Budgeted revenue appropriations in the General Fund increased \$333,863 through budget amendments. Significant changes to original budgeted revenue appropriations were:

- A transfer-in from the Penny Fund in the amount of \$179,641 for the Fire Rescue boat and related capital costs;
- A transfer-in from the Library Coop Fund in the amount of \$42,691 to close-out the Library Coop Fund;
- A transfer-in from the Parks & Recreation Capital Fund in the amount of \$30,662 to close out the Parks & Recreation Capital Fund;
- An increase in EMS revenue from Pinellas County in the amount of \$28,084 to fund a portion of the Fire/Rescue boat and related capital costs.

Expenditures. Budgeted expenditure appropriations in the General Fund increased \$652,805 through budget amendments. Significant changes to original budgeted expenditure appropriations were:

- An increase in Fire Operations expenditures of \$207,950 for the acquisitions and first year operations of the Fire/Rescue Boat;
- An increase in Planning & Development expenditures of \$94,149 for the acquisition, implementation and first year operations of the Viewpoint permitting system;
- An increase in non-departmental expenditures of \$90,000 to transfer General Funds to the Stadium Fund for annual operations;
- An increase in City Attorney expenditures of \$78,000 due to increased rates charged by the City Attorney's office.

Final budget compared to actual results.

Revenues. Actual general fund revenues exceeded budget by \$3,723,970 or by 14.9%, primarily due to conservative revenue projections. Significant changes to original budgeted revenue appropriations were:

- The one-time BP settlement in the amount of \$2,929,946;
- Higher than budgeted revenue in the amount of \$180,123 from the Local ½ Cent Sales Tax;

- Higher than budgeted revenue in the amount of \$145,057 from delinquent ad-valorem property taxes;
- Higher than budgeted revenue in the amount of \$105,348 from State Revenue Sharing proceeds;
- Higher than budgeted revenue in the amount of \$103,530 from the collection of code enforcement fines;
- Higher than budgeted revenue in the amount of \$71,654 from Recreation user charges.

Expenditures

Actual general fund expenditures were under budgeted appropriations by \$478,852 or by 1.9%. Significant variances in expenditures under budget include:

- \$130,703 was due to personnel savings, the most significant factor being position vacancies;
- \$110,356 was due to the Viewpoint permitting system implementation continuing into the next fiscal year;
- \$50,578 was due to a reduction in services in the Parks & Recreation programming due to unreceived grant funding;
- 40,594 was due to unspent funding for the City Attorney;
- \$29,347 was due to lower than expected fuel expenses for the Fire Department;
- \$25,000 was due the Weaver Park Shade structure capital project

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its government and business-type activities as of September 30, 2015, amounts to \$129,105,152 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net decrease in capital assets for the current fiscal year was approximately 4.6%.

Significant changes to the governmental activities include:

- Fleet vehicle replacement program activity included disposals of \$1,103,200 and new purchases of \$1,167,810, of which \$606,446 was for a fire truck rescue pumper.
- During review of building improvement assets, \$1,391,043 of assets were reclassified as operating expenditures and written off.

Significant changes to the business-type activities include:

- Completion of President Street/Lyndhurst storm drain improvement project; total cost \$3,687,542

Additional information on the City's capital assets can be found on pages 60 - 62 of this report in the notes to the financial statements (see Note IV, A.3.).

City of Dunedin, FL Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 20,807,826	\$ 20,807,826	\$ 648,676	\$ 555,364	\$ 21,456,502	\$ 21,363,190
Buildings	26,370,119	28,809,026	822,928	876,795	27,193,047	29,685,821
Infrastructure	8,002,184	6,995,182	-	-	8,002,184	6,995,182
Improvements other than Building	13,268,167	14,670,943	51,888,403	52,295,242	65,156,570	66,966,185
Machinery and Equipment	6,023,321	5,836,761	907,501	845,082	6,930,822	6,681,843
Construction in Progress	76,403	697,137	289,624	2,938,326	366,027	3,635,463
Total Capital Assets	\$ 74,548,020	\$ 77,816,875	\$ 54,557,132	\$ 57,510,809	\$ 129,105,152	\$ 135,327,684

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$34,316,632. Of this amount, \$104,349 comprises capital leases and \$39,212,283 of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds).

City of Dunedin, FL Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Capital leases	\$ 104,349	\$ 415,177	\$ -	\$ -	\$ 104,349	\$ 415,177
Revenue bonds	10,273,671	11,645,322	28,938,612	22,876,000	39,212,283	34,521,322
Total Liabilities	\$ 10,378,020	\$ 12,060,499	\$ 28,938,612	\$ 22,876,000	\$ 39,316,632	\$ 34,936,499

The City's total outstanding debt increased by \$4,380,133 during the current fiscal year. Additional information on the City's long-term debt can be found on pages 65 – 70 in the notes to the financial statements (see Note IV.B).

Economic Factors and Next Year's Budgets and Rates

- At the end of the fiscal year, the unemployment rate for the City of Dunedin was 5.0%, which is lower than the rate of 5.8% a year ago, the same as the national rate of 5.0% (September, 2015), and on par with the state's unemployment rate of 5.1% (September, 2015).
- An estimated 6.15% increase in taxable property valuation is budgeted for fiscal year 2016 and the property tax millage increases to 4.1345 (up 10.7%) mills in fiscal year 2016.
- The occupancy rate of the City's downtown has remained high in the downtown area, with minimal vacancies.
- The City is substantially built out and thereby minimizes any major growth impacts.
- The City is largely residential, at approximately 82% of assessed value.

All of these factors were considered in preparing the City's budget for the 2015 fiscal year.

Requests for Information

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

Basic Financial Statements

City of Dunedin, Florida
Statement of Net Position
September 30, 2015

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash, cash equivalents, and investments	\$ 20,574,559	\$ 22,881,359	\$ 43,455,918
Receivables, net of allowance for uncollectibles	580,093	4,935,936	5,516,029
Internal balances	(3,514,203)	3,514,203	-
Due from other governments	1,414,118	131,804	1,545,922
Inventories	90,633	565,053	655,686
Prepaid items	53,064	2,096	55,160
Accrued interest receivable	871	2,853	3,724
Deposits	321,648	-	321,648
Restricted cash and cash equivalents	-	2,718,356	2,718,356
Net pension assets	1,234,884	-	1,234,884
Unamortized bond insurance	-	74,106	74,106
Capital assets, net of accumulated depreciation			
Land	20,807,826	648,676	21,456,502
Buildings	26,370,119	822,928	27,193,047
Infrastructure	8,002,184	-	8,002,184
Improvements other than buildings	13,268,167	51,888,403	65,156,570
Machinery and equipment	6,023,321	907,501	6,930,822
Construction in progress	76,403	289,624	366,027
Total assets	<u>95,303,687</u>	<u>89,382,898</u>	<u>184,686,585</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pensions	1,181,716	292,902	1,474,618
Total deferred outflows of resources	<u>1,181,716</u>	<u>292,902</u>	<u>1,474,618</u>
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	1,133,849	1,034,836	2,168,685
Accrued interest payable	86,794	496,013	582,807
Unearned revenue	-	1,141	1,141
Due to other governments	18,040	-	18,040
Liabilities payable from restricted assets	-	1,434,880	1,434,880
Noncurrent liabilities:			
Due within one year	1,451,040	1,361,294	2,812,334
Due in more than one year	11,423,749	28,713,066	40,136,815
Net Pension Liability	1,626,236	1,265,362	2,891,598
Total liabilities	<u>15,739,708</u>	<u>34,306,592</u>	<u>50,046,300</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Business tax collected in advance	102,485	-	102,485
Pensions	696,100	435,559	1,131,659
Total deferred inflows of resources	<u>798,585</u>	<u>435,559</u>	<u>1,234,144</u>
<u>NET POSITION</u>			
Net investment in capital assets	64,170,000	25,618,520	89,788,520
Restricted for:			
Capital projects	5,602,587	1,283,476	6,886,063
Community Redevelopment Agency	487,771	-	487,771
Stadium	66,239	-	66,239
Public Safety	58,601	-	58,601
Housing	69,198	-	69,198
Bequests	205,377	-	205,377
Other	16,888	-	16,888
Unrestricted	9,270,449	28,031,653	37,302,102
Total net position	<u>\$ 79,947,110</u>	<u>\$ 54,933,649</u>	<u>\$ 134,880,759</u>

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

City of Dunedin, Florida
Statement of Activities
For the Fiscal Year Ended 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 3,902,176	\$ 343,285	\$ -	\$ -	\$ (3,558,891)	\$ -	\$ (3,558,891)
Public safety	10,316,706	3,635,991	8,056	22,009	(6,650,650)	-	(6,650,650)
Transportation	2,112,366	-	-	511,535	(1,600,831)	-	(1,600,831)
Economic development	745,113	51,600	-	-	(693,513)	-	(693,513)
Culture and recreation	10,641,476	2,040,989	619,455	802,984	(7,178,048)	-	(7,178,048)
Interest on long-term debt	469,673	-	-	-	(469,673)	-	(469,673)
Total governmental activities	<u>28,187,510</u>	<u>6,071,865</u>	<u>627,511</u>	<u>1,336,528</u>	<u>(20,151,606)</u>	<u>-</u>	<u>(20,151,606)</u>
Business-type activities:							
Solid waste	4,588,418	4,946,096	-	28,827	-	386,505	386,505
Water/Sewer utility	16,326,720	15,147,998	-	185,468	-	(993,254)	(993,254)
Stormwater utility	3,360,965	3,273,122	-	120,005	-	32,162	32,162
Marina	369,324	515,457	-	-	-	146,133	146,133
Total business-type activities	<u>24,645,427</u>	<u>23,882,673</u>	<u>-</u>	<u>334,300</u>	<u>-</u>	<u>(428,454)</u>	<u>(428,454)</u>
Total primary government	<u>\$ 52,832,937</u>	<u>\$ 29,954,538</u>	<u>\$ 627,511</u>	<u>\$ 1,670,828</u>	<u>(20,151,606)</u>	<u>(428,454)</u>	<u>(20,580,060)</u>
General Revenues:							
Property taxes					7,040,424	-	7,040,424
Utility service taxes					4,282,586	-	4,282,586
Intergovernmental revenues:							
Infrastructure sales surtax					3,436,710	-	3,436,710
Half cent sales tax					2,165,558	-	2,165,558
Franchise taxes					2,634,802	-	2,634,802
State revenue sharing					1,221,632	-	1,221,632
Other taxes					321,603	-	321,603
Grants and contributions not restricted to specific programs					2,932,567	-	2,932,567
Unrestricted investment earnings / (loss)					98,536	327,714	426,250
Transfers					(39,329)	39,329	-
Total general revenues and transfers					<u>24,095,089</u>	<u>367,043</u>	<u>24,462,132</u>
Change in net position					3,943,483	(61,411)	3,882,072
Net position -beginning as restated					<u>76,003,627</u>	<u>54,995,060</u>	<u>130,998,687</u>
Net position - ending					<u>\$ 79,947,110</u>	<u>\$ 54,933,649</u>	<u>\$ 134,880,759</u>

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

City of Dunedin, Florida
Balance Sheet
Governmental Funds
September 30, 2015

	<u>General Fund</u>	<u>One Cent Sales Tax Fund</u>	<u>Community Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash, cash equivalents, and investments	\$ 7,162,843	\$ 3,736,780	\$ 502,463	\$ 1,655,818	\$ 13,057,904
Receivables-net of allowance for uncollectibles	574,900	410	2,057	1,609	578,976
Due from other governments	765,052	565,341	-	83,725	1,414,118
Inventories	3,342	-	-	-	3,342
Prepaid items	9,997	-	-	-	9,997
Deposits	200,150	-	-	500	200,650
Total assets	<u>\$ 8,716,284</u>	<u>\$ 4,302,531</u>	<u>\$ 504,520</u>	<u>\$ 1,741,652</u>	<u>\$ 15,264,987</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 236,543	\$ -	\$ 11,563	\$ 38,320	\$ 286,426
Contracts payable	120,461	20,114	-	23,148	163,723
Accrued salaries payable	416,118	-	5,186	-	421,304
Deposits payable	900	-	-	500	1,400
Due to other governments	8,916	-	-	9,124	18,040
Other current liabilities	10,143	-	-	-	10,143
Total liabilities	<u>793,081</u>	<u>20,114</u>	<u>16,749</u>	<u>71,092</u>	<u>901,036</u>
Deferred Inflows:					
Business tax collected in advance	102,485	-	-	-	102,485
Total deferred inflows	<u>102,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,485</u>
Fund Balances:					
Non Spendable	13,339	-	-	-	13,339
Restricted	350,064	4,282,417	487,771	1,386,409	6,506,661
Committed	277,219	-	-	284,151	561,370
Assigned	765,970	-	-	-	765,970
Unassigned	6,414,126	-	-	-	6,414,126
Total fund balances	<u>7,820,718</u>	<u>4,282,417</u>	<u>487,771</u>	<u>1,670,560</u>	<u>14,261,466</u>
Total liabilities, deferred inflows & fund balances	<u>\$ 8,716,284</u>	<u>\$ 4,302,531</u>	<u>\$ 504,520</u>	<u>\$ 1,741,652</u>	<u>\$ 15,264,987</u>

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

Total fund balances - governmental funds	\$ 14,261,466
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	69,250,478
Net Pension Liability resulting from Plan Fiduciary Net Position exceeding Total Pension Assets	
Firefighters' Pension Asset (Liability)	1,234,884
FRS Net Pension Asset (Liability)	(920,445)
FRS HIS Net Pension Asset (Liability)	<u>(705,791)</u>
	(391,352)
Deferred outflows/inflows of resources reported in the statement of net position:	
Net deferred outflows - pensions	1,181,716
Net deferred inflows - pensions	<u>(696,100)</u>
	485,616
Internal service funds are used by management to charge the costs of fleet and facility management and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	8,399,726
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.	(12,058,824)
Net position of governmental activities	<u>\$ 79,947,110</u>

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



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City of Dunedin, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended 2015

	General Fund	One Cent Sales Tax Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 6,590,434	\$ -	\$ 449,990	\$ -	\$ 7,040,424
Franchise	2,634,802	-	-	-	2,634,802
Utility service	4,282,586	-	-	-	4,282,586
Licenses and permits	1,304,991	-	-	-	1,304,991
Intergovernmental	3,631,732	3,436,710	-	1,644,885	8,713,327
Charges for services	5,482,447	-	-	296,045	5,778,492
Fines	384,288	-	-	-	384,288
Investment earnings	46,003	11,970	2,821	11,023	71,817
Rents	262,715	-	49,119	6,000	317,834
Contributions and donations	216,368	-	-	27,000	243,368
Other revenue	3,126,584	-	2,481	82,798	3,211,863
Total revenues	<u>27,962,950</u>	<u>3,448,680</u>	<u>504,411</u>	<u>2,067,751</u>	<u>33,983,792</u>
EXPENDITURES					
Current:					
General government	4,525,270	-	-	-	4,525,270
Public safety	10,230,404	-	-	-	10,230,404
Transportation	1,554,980	-	-	88,239	1,643,219
Economic environment	-	-	370,393	-	370,393
Culture and recreation	7,880,519	-	-	936,762	8,817,281
Debt service:					
Principal	-	539,000	-	957,651	1,496,651
Interest	-	247,275	-	45,097	292,372
Capital outlay:					
General government	5,303	46,512	-	-	51,815
Public safety	251,740	-	-	-	251,740
Transportation	2,950	235,202	-	444,908	683,060
Economic development	-	-	67,558	-	67,558
Culture and recreation	70,840	-	-	86,973	157,813
Aids and grants	185,432	-	28,860	-	214,292
Total expenditures	<u>24,707,438</u>	<u>1,067,989</u>	<u>466,811</u>	<u>2,559,630</u>	<u>28,801,868</u>
Excess of revenues over (under) expenditures	<u>3,255,512</u>	<u>2,380,691</u>	<u>37,600</u>	<u>(491,879)</u>	<u>5,181,924</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	572,978	-	-	438,832	1,011,810
Transfers out	(96,680)	(528,473)	(9,400)	(83,937)	(718,490)
Issuance of debt	-	6,505,000	-	-	6,505,000
Payment to refunded bond escrow	-	(6,624,211)	-	-	(6,624,211)
Sale of general capital assets	8,252	-	-	-	8,252
Total other financing sources (uses)	<u>484,550</u>	<u>(647,684)</u>	<u>(9,400)</u>	<u>354,895</u>	<u>182,361</u>
Net change in fund balances	3,740,062	1,733,007	28,200	(136,984)	5,364,285
Fund balances - beginning	4,080,656	2,549,410	459,571	1,807,544	8,897,181
Fund balances - ending	<u>\$ 7,820,718</u>	<u>\$ 4,282,417</u>	<u>\$ 487,771</u>	<u>\$ 1,670,560</u>	<u>\$ 14,261,466</u>

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

City of Dunedin, Florida
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended 2015

Net change in fund balances - total governmental funds \$ 5,364,285

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

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

Expenditures for capital assets	1,211,986	
Less current year depreciation	<u>(3,851,936)</u>	(2,639,950)

A reassignment of long term liabilities and capital assets from an internal service fund to governmental activities is recorded as a one sided transfer for the internal service fund. Since there is no flow of current resources the governmental fund does not record the event. Additionally, the reassignment is not recorded in the statement of activities since the assets and liabilities of the internal service funds are already included in governmental activities in the statement of net position.

Reassignment of Non Ad Valorem Revenue Note, Series 2013	(1,280,000)	
Reassignment of Facilities Maintenance Fund Capital Assets	<u>2,820,614</u>	1,540,614

Loss on disposal of capital assets - Governmental Funds (13,776)

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

Reductions to long-term debt	6,380,000	
Debt Issuance	(6,505,000)	
Interest paid to escrow agent for advance refunding	244,211	
Principal payments	<u>1,496,651</u>	1,615,862

The net effect of pension contribution expense is to increase net position 289,866

Unearned Revenue

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

(121,298)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences / OPEB liability	(48,791)	
Change in accrued interest expense	<u>(173,781)</u>	(222,572)

Internal service funds are used by management to charge the costs of vehicle maintenance, facility maintenance and self insurance to individual funds. The net income (loss) of the internal service funds is reported with governmental activities.

(1,869,548)

Change in net position of governmental activities \$ 3,943,483

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 6,450,624	\$ 6,450,624	\$ 6,590,434	\$ 139,810
Franchise	2,654,457	2,654,457	2,634,802	(19,655)
Utility service	4,563,459	4,563,459	4,282,586	(280,873)
Licenses and permits	1,193,768	1,193,768	1,304,991	111,223
Intergovernmental	3,332,835	3,332,835	3,631,732	298,897
Charges for services	5,338,604	5,370,188	5,482,447	112,259
Fines	262,761	280,648	384,288	103,640
Investment earnings	48,000	48,000	46,003	(1,997)
Rents	278,261	278,261	262,715	(15,546)
Contributions and donations	36,000	53,861	216,368	162,507
Other revenue	151,000	153,950	3,126,584	2,972,634
Total revenues	<u>24,309,769</u>	<u>24,380,051</u>	<u>27,962,950</u>	<u>3,582,899</u>
EXPENDITURES				
Current:				
General government:				
City commission	151,876	182,801	182,983	(182)
City manager	631,637	636,937	636,826	111
Legal	152,500	230,500	189,094	41,406
City clerk	413,196	418,686	410,437	8,249
Finance	892,482	900,537	842,747	57,790
Administration	932,498	945,050	936,943	8,107
Planning and Development	1,324,208	1,426,457	1,326,240	100,217
Total general government	<u>4,498,397</u>	<u>4,740,968</u>	<u>4,525,270</u>	<u>215,698</u>
Public safety:				
Law enforcement	4,050,850	4,050,850	4,050,802	48
Fire	5,068,228	5,095,485	4,895,767	199,718
EMS	1,167,276	1,167,276	1,283,835	(116,559)
Total public safety	<u>10,286,354</u>	<u>10,313,611</u>	<u>10,230,404</u>	<u>199,766</u>
Transportation:				
Streets / Traffic	1,556,796	1,557,896	1,554,980	2,916
Total transportation	<u>1,556,796</u>	<u>1,557,896</u>	<u>1,554,980</u>	<u>2,916</u>
Culture and recreation:				
Library	1,774,166	1,777,666	1,777,871	(205)
Parks and Recreation administration	528,103	530,603	525,565	5,038
Recreation	3,124,126	3,123,481	3,032,341	91,140
Parks	2,468,568	2,477,922	2,430,594	47,328
Dunedin Historical Society	23,870	23,870	23,870	-
Dunedin Fine Arts Center	90,278	90,278	90,278	-
Total culture and recreation current	<u>8,009,111</u>	<u>8,023,820</u>	<u>7,880,519</u>	<u>143,301</u>
Capital Outlay				
General Government	4,500	4,500	5,303	(803)
Public Safety	33,000	240,950	251,740	(10,790)
Transportation	-	80	2,950	(2,870)
Culture and Recreation	53,200	109,971	70,840	39,131
Total Capital Outlay	<u>90,700</u>	<u>355,501</u>	<u>330,833</u>	<u>24,668</u>
Aids and grants				
Total expenditures	<u>24,630,165</u>	<u>25,186,290</u>	<u>24,707,438</u>	<u>478,852</u>
Excess of revenues over (under) expenditure	<u>(320,396)</u>	<u>(806,239)</u>	<u>3,255,512</u>	<u>4,061,751</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	309,400	572,981	572,978	(3)
Transfers out	-	(96,680)	(96,680)	-
Sale of general capital assets	-	-	8,252	8,252
Total other financing uses	<u>309,400</u>	<u>476,301</u>	<u>484,550</u>	<u>8,249</u>
Net change in fund balances	<u>\$ (10,996)</u>	<u>\$ (329,938)</u>	<u>3,740,062</u>	<u>\$ 4,070,000</u>
Fund balances - beginning			<u>4,080,656</u>	
Fund balances - ending			<u>\$ 7,820,718</u>	

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

City of Dunedin, Florida
One Cent Sales Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:	\$ 3,110,190	\$ 3,110,190	\$ 3,436,710	\$ 326,520
Miscellaneous revenues:				
Investment earnings	5,018	5,018	11,970	6,952
Total revenues	<u>3,115,208</u>	<u>3,115,208</u>	<u>3,448,680</u>	<u>333,472</u>
<u>EXPENDITURES</u>				
Capital Outlay:				
General government	2,146,000	2,161,072	46,512	2,114,560
Transportation	645,000	878,457	235,202	643,255
Debt service:				
Principal	539,000	539,000	539,000	-
Interest	282,882	282,882	247,275	35,607
Total expenditures	<u>3,612,882</u>	<u>3,861,411</u>	<u>1,067,989</u>	<u>2,793,422</u>
Excess of revenues over expenditures	<u>(497,674)</u>	<u>(746,203)</u>	<u>2,380,691</u>	<u>3,126,894</u>
<u>OTHER FINANCING SOURCES / (USES)</u>				
Transfers out	(491,859)	(643,473)	(528,473)	115,000
Issuance of Debt	-	6,505,000	6,505,000	-
Payment to refunded bond escrow agt	-	(6,588,605)	(6,624,211)	(35,606)
Total other financing uses	<u>(491,859)</u>	<u>(727,078)</u>	<u>(647,684)</u>	<u>79,394</u>
Net change in fund balances	<u>\$ (989,533)</u>	<u>\$ (1,473,281)</u>	1,733,007	<u>\$ 3,206,288</u>
Fund balances - beginning			<u>2,549,410</u>	
Fund balances - ending			<u>\$ 4,282,417</u>	

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

**City of Dunedin, Florida
Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Property Taxes	\$ 443,874	\$ 443,874	\$ 449,990	\$ 6,116
Miscellaneous revenues:				
Investment earnings	781	781	2,821	2,040
Rents	2,000	2,000	49,119	47,119
Other revenue	46,835	46,835	2,481	(44,354)
Total revenues	<u>493,490</u>	<u>493,490</u>	<u>504,411</u>	<u>10,921</u>
<u>EXPENDITURES</u>				
Current:				
General Government	170,665	170,665	-	170,665
Economic environment	190,687	206,347	370,393	(164,046)
Capital Outlay:				
Economic environment	226,357	465,528	67,558	397,970
Aids and Grants	50,000	63,538	28,860	34,678
Total expenditures	<u>637,709</u>	<u>906,078</u>	<u>466,811</u>	<u>439,267</u>
Excess of revenues over expenditures	<u>(144,219)</u>	<u>(412,588)</u>	<u>37,600</u>	<u>450,188</u>
<u>OTHER FINANCING SOURCES / (USES)</u>				
Transfers out	<u>(9,400)</u>	<u>(9,400)</u>	<u>(9,400)</u>	-
Total other financing uses	<u>(9,400)</u>	<u>(9,400)</u>	<u>(9,400)</u>	-
Net change in fund balances	<u>\$ (153,619)</u>	<u>\$ (421,988)</u>	28,200	<u>\$ 450,188</u>
Fund balances - beginning			<u>459,571</u>	
Fund balances - ending			<u>\$ 487,771</u>	

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



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City of Dunedin, Florida
Statement of Net Position
Proprietary Funds
September 30, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Total	Internal Service Funds
ASSETS						
Current assets:						
Cash, cash equivalents, and investments	\$ 625,941	\$ 14,297,897	\$ 6,820,854	\$ 1,136,667	\$ 22,881,359	\$ 7,516,655
Restricted cash-customer deposits	120,741	1,260,625	-	53,514	1,434,880	-
Restricted cash-impact fees	-	1,283,476	-	-	1,283,476	-
Receivables-net of allowance for uncollectibles	665,884	1,779,489	323,068	33,311	2,801,752	1,117
Interest receivable	63	1,891	765	134	2,853	871
Charges receivable-capital recovery	-	263,838	-	-	263,838	-
Due from other governments	780	123,347	7,677	-	131,804	-
Inventories	-	565,053	-	-	565,053	87,291
Prepaid items	-	2,096	-	-	2,096	43,067
Deposits	-	-	-	-	-	120,998
Total current assets	<u>1,413,409</u>	<u>19,577,712</u>	<u>7,152,364</u>	<u>1,223,626</u>	<u>29,367,111</u>	<u>7,769,999</u>
Noncurrent assets:						
Charges receivable-capital recovery	-	1,870,346	-	-	1,870,346	-
Unamortized bond insurance	-	68,471	5,635	-	74,106	-
Capital assets:						
Land	-	398,676	250,000	-	648,676	-
Buildings	333,053	15,911,704	10,815	123,301	16,378,873	1,824,991
Improvements other than buildings	49,543	102,571,304	27,169,442	3,005,069	132,795,358	4,744
Machinery and equipment	902,602	1,824,540	701,779	7,591	3,436,512	13,746,359
Construction in progress	-	215,338	25,916	48,370	289,624	-
Less accumulated depreciation	<u>(1,038,549)</u>	<u>(87,748,588)</u>	<u>(8,100,093)</u>	<u>(2,104,681)</u>	<u>(98,991,911)</u>	<u>(10,278,552)</u>
Total capital assets, net	<u>246,649</u>	<u>33,172,974</u>	<u>20,057,859</u>	<u>1,079,650</u>	<u>54,557,132</u>	<u>5,297,542</u>
Total noncurrent assets	<u>246,649</u>	<u>35,111,791</u>	<u>20,063,494</u>	<u>1,079,650</u>	<u>56,501,584</u>	<u>5,297,542</u>
Total assets	<u>1,660,058</u>	<u>54,689,503</u>	<u>27,215,858</u>	<u>2,303,276</u>	<u>85,868,695</u>	<u>13,067,541</u>
Deferred Outflows						
Deferred outflows related to pensions	<u>57,831</u>	<u>209,503</u>	<u>25,568</u>	<u>-</u>	<u>292,902</u>	<u>-</u>
Total deferred outflows	<u>57,831</u>	<u>209,503</u>	<u>25,568</u>	<u>-</u>	<u>292,902</u>	<u>-</u>

City of Dunedin, Florida
Statement of Net Position
Proprietary Funds
September 30, 2015
(continued)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Total	Internal Service Funds
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 139,655	\$ 320,437	\$ 124,087	\$ 23,803	\$ 607,982	\$ 163,979
Accrued liabilities	-	-	-	2,906	2,906	-
Contracts payable	-	91,916	72,087	13,638	177,641	32,132
Accrued salaries payable	35,481	182,335	23,579	4,912	246,307	54,742
Compensated absences	24,835	13,459	-	-	38,294	-
Accrued interest payable	-	282,282	213,731	-	496,013	2,557
Customer deposits payable-restricted assets	120,741	1,260,625	-	53,514	1,434,880	-
Bonds payable	-	914,720	408,280	-	1,323,000	-
Capital leases payable	-	-	-	-	-	104,349
Claims liabilities	-	-	-	-	-	104,424
Unearned revenue	1,141	-	-	-	1,141	-
Total current liabilities	<u>321,853</u>	<u>3,065,774</u>	<u>841,764</u>	<u>98,773</u>	<u>4,328,164</u>	<u>462,183</u>
Noncurrent liabilities:						
Bonds payable	-	14,996,887	12,618,725	-	27,615,612	-
Compensated absences	155,224	687,988	68,219	9,810	921,241	231,496
OPEB liability	28,131	128,817	15,239	4,026	176,213	32,418
Net pension liability	249,834	905,070	110,458	-	1,265,362	-
Claims liabilities	-	-	-	-	-	427,515
Total noncurrent liabilities	<u>433,189</u>	<u>16,718,762</u>	<u>12,812,641</u>	<u>13,836</u>	<u>29,978,428</u>	<u>691,429</u>
Total liabilities	<u>755,042</u>	<u>19,784,536</u>	<u>13,654,405</u>	<u>112,609</u>	<u>34,306,592</u>	<u>1,153,612</u>
Deferred Inflows						
Deferred inflows relating to pensions	85,997	311,541	38,021	-	435,559	-
Total deferred inflows	<u>85,997</u>	<u>311,541</u>	<u>38,021</u>	<u>-</u>	<u>435,559</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	246,649	17,261,367	7,030,854	1,079,650	25,618,520	5,193,193
Restricted for capital projects	-	1,283,476	-	-	1,283,476	-
Unrestricted	630,201	16,258,086	6,518,146	1,111,017	24,517,450	-
Total net position	<u>\$ 876,850</u>	<u>\$ 34,802,929</u>	<u>\$ 13,549,000</u>	<u>\$ 2,190,667</u>	<u>\$ 51,419,446</u>	<u>\$ 11,913,929</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					3,514,203	
Net position of business-type activities on the Government-wide Statement of Net Position					<u>\$ 54,933,649</u>	

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

City of Dunedin, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Total	Internal Service Funds
Operating revenues:						
Charges for services	\$ 4,939,494	\$ 14,840,435	\$ 3,272,518	\$ 506,974	\$ 23,559,421	\$ 10,680,924
Other operating revenue	6,602	307,563	604	8,483	323,252	339,767
Total operating revenues	<u>4,946,096</u>	<u>15,147,998</u>	<u>3,273,122</u>	<u>515,457</u>	<u>23,882,673</u>	<u>11,020,691</u>
Operating expenses:						
Personal services	1,244,929	5,470,081	779,977	180,301	7,675,288	1,758,738
Supplies and services	3,417,201	6,553,239	963,327	129,250	11,063,017	7,418,452
Depreciation	55,726	3,833,209	1,310,346	64,193	5,263,474	1,104,320
Total operating expenses	<u>4,717,856</u>	<u>15,856,529</u>	<u>3,053,650</u>	<u>373,744</u>	<u>24,001,779</u>	<u>10,281,510</u>
Operating income (loss)	<u>228,240</u>	<u>(708,531)</u>	<u>219,472</u>	<u>141,713</u>	<u>(119,106)</u>	<u>739,181</u>
Nonoperating revenues (expenses):						
Investment earnings	2,674	287,055	33,428	4,557	327,714	26,719
Interest/amortization expense	-	(570,901)	(343,303)	-	(914,204)	(3,520)
Gain (loss) on disposal of capital assets	-	(64,893)	-	-	(64,893)	(423,216)
Total nonoperating revenues (expenses)	<u>2,674</u>	<u>(348,739)</u>	<u>(309,875)</u>	<u>4,557</u>	<u>(651,383)</u>	<u>(400,017)</u>
Income before contributions and transfers	230,914	(1,057,270)	(90,403)	146,270	(770,489)	339,164
Capital contributions	28,827	185,468	120,005	-	334,300	-
Transfers in	598,300	521,283	10,455	57,952	1,187,990	1,458,441
Transfers out	<u>(520,000)</u>	<u>(30,361)</u>	<u>(598,300)</u>	<u>-</u>	<u>(1,148,661)</u>	<u>(3,331,704)</u>
Change in net position	338,041	(380,880)	(558,243)	204,222	(396,860)	(1,534,099)
Net position - beginning	538,809	35,183,809	14,107,243	1,986,445		13,448,028
Net position - ending	<u>\$ 876,850</u>	<u>\$ 34,802,929</u>	<u>\$ 13,549,000</u>	<u>\$ 2,190,667</u>		<u>\$ 11,913,929</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.					335,449	
Changes in net position of business-type activities on the Government-wide Statement of Activities					<u>\$ (61,411)</u>	

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

City of Dunedin, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 4,929,550	\$ 15,195,392	\$ 3,510,134	\$ 473,601	\$ 24,108,677	\$ 10,691,269
Payments to suppliers	(3,460,065)	(6,584,395)	(1,369,995)	(110,961)	(11,525,416)	(7,757,626)
Payments to employees	(1,278,178)	(5,558,509)	(779,779)	(181,043)	(7,797,509)	(1,772,553)
Other operating revenues	6,602	307,563	604	8,483	323,252	339,767
Net cash provided by (used in) operating activities	<u>197,909</u>	<u>3,360,051</u>	<u>1,360,964</u>	<u>190,080</u>	<u>5,109,004</u>	<u>1,500,857</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	598,300	520,000	-	37,041	1,155,341	-
Transfers out	(520,000)	(30,361)	(598,300)	-	(1,148,661)	(300,000)
Net cash provided by (used in) noncapital financing activities	<u>78,300</u>	<u>489,639</u>	<u>(598,300)</u>	<u>37,041</u>	<u>6,680</u>	<u>(300,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(62,045)	(626,239)	(1,218,863)	(188,199)	(2,095,346)	(1,236,201)
Proceeds of capital debt	-	-	6,236,554	-	6,236,554	-
Principal paid on capital debt	-	(965,238)	(299,998)	-	(1,265,236)	(310,828)
Interest paid on capital debt	-	(577,933)	(288,373)	-	(866,306)	(11,556)
Payment of debt issuance costs	-	-	(125,415)	-	(125,415)	-
Proceeds from sale of capital assets	-	15	-	-	15	291,145
Proceeds from capital contributions	28,827	102,927	120,005	-	251,759	-
Net cash provided by (used in) capital and related financing activities	<u>(33,218)</u>	<u>(2,066,468)</u>	<u>4,423,910</u>	<u>(188,199)</u>	<u>2,136,025</u>	<u>(1,267,440)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment earnings received	2,998	296,989	34,034	5,345	339,366	31,899
Net cash provided by (used in) investing activities	<u>2,998</u>	<u>296,989</u>	<u>34,034</u>	<u>5,345</u>	<u>339,366</u>	<u>31,899</u>
Net increase (decrease) in cash and cash equivalents	245,989	2,080,211	5,220,608	44,267	7,591,075	(34,684)
Cash and cash equivalents - October 1	500,693	14,761,787	1,600,246	1,145,914	18,008,640	7,551,339
Cash and cash equivalents - September 30	<u>\$ 746,682</u>	<u>\$ 16,841,998</u>	<u>\$ 6,820,854</u>	<u>\$ 1,190,181</u>	<u>\$ 25,599,715</u>	<u>\$ 7,516,655</u>
CLASSIFIED AS:						
Cash and cash equivalents	\$ 625,941	\$ 14,297,897	\$ 6,820,854	\$ 1,136,667	\$ 22,881,359	\$ 7,516,655
Restricted cash and cash equivalents	120,741	2,544,101	-	53,514	2,718,356	-
Total cash and cash equivalents	<u>\$ 746,682</u>	<u>\$ 16,841,998</u>	<u>\$ 6,820,854</u>	<u>\$ 1,190,181</u>	<u>\$ 25,599,715</u>	<u>\$ 7,516,655</u>

City of Dunedin, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2015
(continued)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 228,240	\$ (708,531)	\$ 219,472	\$ 141,713	\$ (119,106)	\$ 739,181
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	55,726	3,833,209	1,310,346	64,193	5,263,474	1,104,320
(Increase) decrease in:						
Accounts receivable	(16,798)	378,283	(22,201)	(29,230)	310,054	10,366
Inventories	-	15,464	-	-	15,464	10,653
Due from other governments	(780)	(17,772)	259,817	-	241,265	-
Prepaid items	-	1,079	-	-	1,079	(16,527)
Increase (decrease) in :						
Accounts payable	(42,864)	(47,699)	(406,668)	18,289	(478,942)	(407,748)
Accrued expenses	(27,948)	(10,488)	(103)	(1,080)	(39,619)	8,505
Net pension liability	(15,732)	(56,990)	(6,956)	-	(79,678)	-
Deposits	7,634	(5,554)	-	(4,143)	(2,063)	(21,038)
Claims liabilities	-	-	-	-	-	95,465
Compensated absences / OPEB	10,431	(20,950)	7,257	338	(2,924)	(22,320)
Total adjustments	<u>(30,331)</u>	<u>4,068,582</u>	<u>1,141,492</u>	<u>48,367</u>	<u>5,228,110</u>	<u>761,676</u>
Net cash provided by (used in) operating activities	<u>\$ 197,909</u>	<u>\$ 3,360,051</u>	<u>\$ 1,360,964</u>	<u>\$ 190,080</u>	<u>\$ 5,109,004</u>	<u>\$ 1,500,857</u>
Schedule of non-cash capital and related financing activities:						
Interfund transfer of capital assets	\$ -	\$ 1,283	\$ 10,455	\$ 20,911	\$ 32,649	\$ (2,609,486)
Contributions of capital assets						
Cash	-	10,771	-	-	10,771	-
Non-Cash	-	82,541	-	-	82,541	-

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

Fiduciary Funds

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

Pension Trust

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

**City of Dunedin, Florida
Statement of Net Position
Fiduciary Fund
September 30, 2015**

	Municipal Firefighters Pension Trust Fund
ASSETS	
Investments	
U.S. government obligations	\$ 1,381,881
U.S. government agencies	1,278,980
Corporate equities	14,986,663
Temporary investment funds	299,745
Real estate investment funds	2,598,046
Corporate obligations	3,112,452
Receivables - broker-dealers	49,053
Due from other governments	35,347
Prepaid items	1,075
Interest receivable	47,934
Total assets	<u>23,791,176</u>
LIABILITIES	
Accounts payable	<u>42,501</u>
Total liabilities	<u>42,501</u>
NET POSITION	
Held in trust for pension benefits	<u><u>\$ 23,748,675</u></u>

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

City of Dunedin, Florida
Statement of Changes in Net Position
Fiduciary Fund
For the Fiscal Year Ended September 30, 2015

	<u>Municipal Firefighters Pension Trust Fund</u>
ADDITIONS:	
Contributions	
Employer	\$ 479,580
Plan members	210,998
Excise tax rebate (state of Florida)	303,897
Total contributions	<u>994,475</u>
Investment earnings	
Net depreciation in fair value of investments	(638,680)
Interest	156,604
Dividends	263,664
Total investment earnings	<u>(218,412)</u>
Less investment expenses	<u>(140,734)</u>
Net investment earnings	<u>(359,146)</u>
Miscellaneous revenue	<u>4,559</u>
Total additions	<u>639,888</u>
DEDUCTIONS:	
Benefits	1,074,716
Refunds	16,668
Administrative expenses	68,517
Total deductions	<u>1,159,901</u>
Change in net position	(520,013)
Net position - beginning	<u>24,268,688</u>
Net position - ending	<u><u>\$ 23,748,675</u></u>

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



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CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Dunedin, Florida (the "City"), which was founded on June 1, 1899, and incorporated under Chapter 4877, Acts of 1899 of the State of Florida, has a population of approximately 35,700 (which includes seasonal residents) living within an area approximating 10 square miles. The City is contiguous to the northern side of Clearwater, Florida. The City operates under a Charter originally adopted January 6, 1926, and a Commission-Manager form of government. The most recent revision to the City's Charter was on November 6, 2012.

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

A. REPORTING ENTITY

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

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

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

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

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

The City reports the following major funds:

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

Additionally, the City reports the following fund types:

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

As a general rule the effect of the interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Deposits and investments

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

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

2. Receivables and Payables

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

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

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

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

3. Property Taxes

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

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

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

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation (exclusive of taxes levied for the payment of bonds). The millage rate levied by the City for the fiscal year ended September 30, 2015, was 3.7345.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

4. Inventories

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

5. Prepaid Items

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

6. Capital Assets

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

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

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

7. Accumulated Unused Compensated Absences

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

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

8. Long-term Obligations

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

9. Postemployment Health and Life Insurance Benefits

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

10. Restricted Assets

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

11. Unearned Revenue

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

12. Fund Balance

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

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

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

13. Encumbrances

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

14. Net Position

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

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

E. REVENUES, EXPENDITURES AND EXPENSES

1. Operating Subsidies, Grants, and Impact Fees

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

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

2. Interfund Transactions

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

3. Administrative Charges

Certain administrative expenses are incurred by the General Fund on behalf of the other funds. In addition, some administrative charges are incurred by the Water/Sewer Utility Fund for services rendered that benefit other funds. Both the General Fund and the Water/Sewer Utility Fund receive payment for these services based on a percentage allocation in accordance with budgeted appropriations. These administrative reimbursements for the year ended September 30, 2015, are presented below.

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

Fund	Amount
Solid Waste	\$ 382,959
Water/ Sewer Utility	1,079,940
Marina	39,744
Stormwater	224,500
Total	\$ 1,727,143

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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

Fund	Amount
Solid Waste	\$ 131,749
Stormwater	79,289
Total	<u>\$ 211,038</u>

4. Deferred Inflows of Resources

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

5. Deferred Outflows of Resources

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

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

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

Accrued Interest Payable	\$ 84,237
Revenue Bonds Payable	10,273,671
Compensated Absences	1,402,155
Net OPEB Obligation	<u>298,761</u>
Net adjustment to reduce <i>total fund balance - governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 12,058,824</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE III – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City's budget policy is summarized as follows:

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

NOTE IV – DETAIL NOTES - ALL FUNDS

A. ASSETS

1. Cash and Cash Equivalents and Investments

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

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

a. Custodial Credit Risk – Cash and Investments

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

The City's investment policy requires that time deposits, demand deposits, savings accounts and non-negotiable certificates of deposit must be held by institutions organized under the laws of Florida and/or in national banks organized under the laws of the United States and doing business and situated in Florida as qualified public depositories, ensuring that any such deposits are secured and collateralized according to the Florida Security for Public Deposits Act (Chapter 280 of the Florida Statutes). In addition, the policy requires all investment securities to be held by a third party custodian in the name of the City.

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

As of September 30, 2015, the bank balance of the City's deposits was \$22,123,337. The bank balance is insured by federal depository insurance and, for the amount in excess of such federal depository insurance, is collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the government entity for the loss.

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

Regions Morgan Keegan Trust (Regions) periodically holds uninvested cash in its capacity as custodian for the Firefighters Pension Plan. These funds exist temporarily as cash in the process of collection from the sale of securities. As of September 30, 2015, the Firefighters Pension Plan's investments are managed under separate investment agreements with Rockwood Capital Advisors, LLC and Harding Loevner LP. These agreements give Regions the custodianship, but gives Rockwood Capital Advisors, LLC and Harding Loevner LP the authority to manage the investments. All securities held by Regions are in the name of the Firefighters Pension Plan.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

b. Credit Risk

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

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

The City's cash and cash equivalents and investments consisted of the following as of September 30, 2015:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard & Poor's Rating</u>	<u>Percentage of Total</u>	<u>Weighted Average Duration (In Years)</u>
Florida SAFE	\$ 9,177,372	AAAm	19.88%	0.20
US Government Treasury Notes	4,001,880	AA+	8.67%	
SBA - Florida PRIME	1,867,245	AAAm	4.04%	0.10
Certificate of Deposits	9,000,000		19.49%	
Cash in bank	22,123,837		47.91%	
Petty cash	3,940		0.01%	
Total Cash and Investments	<u>\$ 46,174,274</u>			

Florida PRIME operates as a '2a-7 like' fund.

Florida SAFE is a surplus asset trust fund, which was developed by and for Florida local governments. Florida SAFE adheres to the requirement to maintain a net asset value of \$1.00 per share or higher. Florida SAFE invests its proceeds in U.S. Government Agencies and Commercial Paper.

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

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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

Investments held by the Firefighters Pension Plan are summarized as follows:

Investment Type	Fair Value	Standard & Poor’s Rating	Percentage of Total	Effective Duration (In Years)
U.S. Government Obligations	\$ 1,381,881	AA	5.84%	6.4
U.S. Government Agencies	1,278,980	AA	5.41%	4.9
Corporate Obligations	3,112,452	BAA-A	13.16%	7.5
Domestic Stocks	12,184,483		51.50%	
International Stocks	2,802,180		11.84%	
Real Estate Investment Fund	2,598,046		10.98%	
Temporary Investment Funds	299,745	AAA	1.27%	Daily
Total Pension Funds	\$ 23,657,767			

c. Concentration of Credit Risk

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

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

The Firefighters Pension Plan’s policy limits investments in foreign fixed income or equity securities to 25% of the total portfolio. In addition, not more than 5% of the portfolio may be invested in common stock of any one issuing company. The Firefighters Pension Plan had no investments that individually represented 5% or more of the Plan’s net assets available for benefits as of September 30, 2015.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

d. Interest Rate Risk

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

The Firefighters Pension Plan's investment policy limits the effective duration of its fixed income portfolios through the adoption of the Barclays Capital Aggregate Bond Index benchmark. The U.S. Government obligations had an effective duration of 6.2 years; the U.S. Government agencies had an effective duration of 5.7 years, and corporate obligations had an effective duration of 7.2 years.

2. Receivables

Receivables as of the fiscal year ended September 30, 2015, for the City's major governmental and enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	One Cent Sales Tax Fund	Community Redevelopment Agency	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Total
Receivables:								
Accounts Billed	\$ 811,033	\$ -	\$ 2,000	\$ 189,537	\$ 471,603	\$ 119,254	\$ 35,636	\$ 1,629,063
Accounts Unbilled	-	-	-	474,733	1,352,285	208,207	-	2,035,225
Liens	-	-	-	19,554	12,340	4,823	-	36,717
Reclaimed Connection Fee	-	-	-	-	263,838	-	-	263,838
Interest	804	410	57	63	1,891	765	134	4,124
Gross Receivables	811,837	410	2,057	683,887	2,101,957	333,049	35,770	3,968,967
Less: Allowance for Uncollectibles	236,937	-	-	17,940	56,739	9,216	2,325	323,157
Net Total Receivables	<u>\$ 574,900</u>	<u>\$ 410</u>	<u>\$ 2,057</u>	<u>\$ 665,947</u>	<u>\$ 2,045,218</u>	<u>\$ 323,833</u>	<u>\$ 33,445</u>	<u>\$ 3,645,810</u>

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

Governmental funds do not record revenue in connection with resources that have been received, but not yet earned. Governmental funds report *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate current period liabilities. At the end of the current fiscal year, no funds had any unearned revenue to report.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

3. Capital Assets

a. Capital asset activity

Capital asset activity for the fiscal year ended September 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 20,807,826	\$ -		\$ 20,807,826
Construction in Process	697,136	39,703	(660,436)	76,403
Total Capital not being Depreciated	<u>21,504,962</u>	<u>39,703</u>	<u>(660,436)</u>	<u>20,884,229</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	47,789,352	30,375	(1,441,680)	46,378,047
Infrastructure	9,288,873	1,322,647	-	10,611,520
Improvements other than Buildings	29,924,111	114,264	(81,706)	29,956,669
Machinery and Equipment	21,285,636	1,601,634	(1,401,902)	21,485,368
Total Capital Assets being Depreciated	<u>108,287,972</u>	<u>3,068,920</u>	<u>(2,925,288)</u>	<u>108,431,604</u>
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(18,980,325)	(1,724,473)	696,870	(20,007,928)
Infrastructure	(2,293,691)	(315,645)	-	(2,609,336)
Improvements other than Buildings	(15,253,167)	(1,504,641)	69,306	(16,688,502)
Machinery and Equipment	(15,448,876)	(1,411,497)	1,398,326	(15,462,047)
Total Accumulated Depreciation	<u>(51,976,059)</u>	<u>(4,956,256)</u>	<u>2,164,502</u>	<u>(54,767,813)</u>
Total Capital Assets being Depreciated, net	<u>56,311,913</u>	<u>(1,887,336)</u>	<u>(760,786)</u>	<u>53,663,791</u>
Governmental Activities Capital Assets, net	<u>\$ 77,816,875</u>	<u>\$ (1,847,633)</u>	<u>\$ (1,421,222)</u>	<u>\$ 74,548,020</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 555,364	\$ 93,312	\$ -	\$ 648,676
Construction in Process	<u>2,938,325</u>	<u>275,664</u>	<u>(2,924,365)</u>	<u>289,624</u>
Total Capital not being Depreciated	<u>3,493,689</u>	<u>368,976</u>	<u>(2,924,365)</u>	<u>938,300</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	16,302,546	76,327	-	16,378,873
Improvements other than Buildings	128,390,900	4,606,037	(201,579)	132,795,358
Machinery and Equipment	<u>3,259,237</u>	<u>265,722</u>	<u>(88,447)</u>	<u>3,436,512</u>
Total Capital Assets being Depreciated	<u>147,952,683</u>	<u>4,948,086</u>	<u>(290,026)</u>	<u>152,610,743</u>
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(15,425,752)	(130,193)	-	(15,555,945)
Improvements other than Buildings	(76,095,657)	(4,947,969)	136,671	(80,906,955)
Machinery and Equipment	<u>(2,414,155)</u>	<u>(203,303)</u>	<u>88,447</u>	<u>(2,529,011)</u>
Total Accumulated Depreciation	<u>(93,935,564)</u>	<u>(5,281,465)</u>	<u>225,118</u>	<u>(98,991,911)</u>
Total Capital Assets being Depreciated, net	<u>54,017,119</u>	<u>(333,379)</u>	<u>(64,908)</u>	<u>53,618,832</u>
Business-type Activities Capital Assets, net	<u>\$ 57,510,808</u>	<u>\$ 35,597</u>	<u>\$ (2,989,273)</u>	<u>\$ 54,557,132</u>

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

b. Depreciation

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

Governmental Activities:

General Government	\$ 610,409
Public Safety	343,223
Transportation	497,551
Economic	347,266
Culture and Recreation	2,053,487
Internal Service Funds	1,104,320
Total Depreciation Expense	<u>\$ 4,956,256</u>

Business-type Activities:

Solid Waste	\$ 55,726
Water/Sewer Utility	3,833,209
Stormwater Utility	1,310,346
Marina	64,193
Total Depreciation Expense	<u>\$ 5,263,474</u>

Total amount reported as increases to accumulated depreciation for business-type activities is different than the total depreciation expense charged to business-type activities. The difference of \$17,991 is due to transfers of capital assets from governmental activities to business-type activities.

c. Construction contracts

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

	September 30, 2015	
	Estimated Project Amount	Construction in Progress
Governmental Activities:		
The City contracted for design services related to streetscape improvements at Huntley/Monroe Streets.	\$ 873,166	\$ 73,703
The City has contracted for design services related to the replacement of the Broadway Arch.	50,000	2,700
Total Governmental Activities	<u>\$ 923,166</u>	<u>\$ 76,403</u>

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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

	September 30, 2015	
	Estimated Project Amount	Construction in Progress
Marina Fund:		
The City has contracted for design services related to improvements to docks A, B and C at the Marina.	\$ 250,000	\$ 19,600
The City has contracted for design services related to improvements to the west seawall at the Marina.	\$ 765,000	\$ 28,770
Water/Sewer Utility Fund		
The City has contracted for design services related to the construction of a reclaimed water storage tank and booster pump station.	\$ 2,021,000	\$ 152,025
The City has contracted for design services related to the replacement of a methanol tank.	\$ 300,000	\$ 21,127
The City has contracted for the construction of three new potable water wells.	\$ 496,290	\$ 42,186
Stormwater Fund:		
The City has contracted for the design services related to the Lakewood Estates Drainage project.	\$ 3,836,000	\$ 25,916
Total Enterprise Funds	\$ 7,668,290	\$ 289,624

d. Other Significant Commitments

The government has active projects as of September 30, 2015. The projects include the construction and maintenance of wells, the rehabilitation of pipes, street paving and resurfacing, and the purchase of vehicles for fleet. At year end, the City's significant outstanding purchase commitments were as follows:

Project	Remaining Commitment
Well Construction & Maintenance	\$ 555,203
Pipe Lining Rehabilitation	332,295
Street Paving & Resurfacing	510,773
Fleet Vehicle Commitments	1,145,711
Total	\$ 2,543,982

The remaining commitment amounts were encumbered at fiscal year end.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

4. Interfund Transfers

Transfers Out:	Transfers In:						
	General	Non Major Governmental	Solid Waste	Stormwater	Water/Sewer Utility	Marina	Total
General	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ 6,680	\$ 96,680
One Cent Sales Tax	179,641	348,832	-	-	-	-	528,473
CRA	9,400	-	-	-	-	-	9,400
Non-Major Governmental	83,937	-	-	-	-	-	83,937
Solid Waste	-	-	-	-	520,000	-	520,000
Stormwater	-	-	598,300	-	-	-	598,300
Water/Sewer Utility	-	-	-	-	-	30,361	30,361
Internal Service	300,000	-	-	10,455	1,283	20,911	332,649
Total Transfers	\$ 572,978	\$ 438,832	\$ 598,300	\$ 10,455	\$ 521,283	\$ 57,952	\$ 2,199,800

Of the \$96,680 transferred out of the General Fund, \$90,000 went to the Stadium Fund to support annual operating costs. In addition, \$6,680 was transferred to the Marina Fund to offset capital improvements at the Marina for the Fire-Rescue boat lift.

Of the \$528,473 transferred out of the One Cent Sales Tax Fund, \$261,859 went to the Stadium Fund for capital improvements, \$86,973 went to the Parks & Recreation Capital Fund for various capital improvement projects, and \$179,641 went to the General Fund towards the purchase of the City's Fire-Rescue Boat.

The \$9,400 transferred out of the Community Redevelopment Agency (CRA) Fund to the General Fund is to offset expenditures related to three downtown special events.

A transfer of \$10,626 was transferred out of the LDO / Parks Impact Fee Fund into restricted funds within the General Fund for the purchase of trees. In addition, the Library Co-Op Fund and the Parks & Recreation Capital Fund were closed to the General Fund resulting in transfers \$42,690 and \$30,621, respectively.

The Solid Waste Fund transferred out \$520,000 to the Water / Sewer Fund for repayment of a FY 2014 interfund loan. The Stormwater Fund transferred out \$598,300 to the Solid Waste Fund for repayment of a FY 2011 interfund loan. The Water / Sewer Utility Fund transferred \$30,361 to the Marina Fund to pay for a portion of the Marina Pumpout capital project.

The Internal Service Fund – Facilities Maintenance made several transfers of net assets including \$1,283 into the Water / Sewer Utility Fund, \$20,911 into the Marina Fund and \$10,455 into the Stormwater Utility Fund. \$178,441, which is not included in the table, was transferred into the Internal Service Fund – Fleet Maintenance. In addition, \$300,000 was transferred from the Internal Service Fund – Risk Safety Self Insurance to reimburse the General Fund for over-funding in previous fiscal years.

During the fiscal year, the Facilities Maintenance Fund had a reassignment of debt for \$1,280,000 and a reassignment of capital assets for \$2,787,927. Similarly, the Risk Safety Self

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

Insurance Fund had a reassignment for \$32,687 of capital assets. These reassignments were one-sided transfers from an Internal Service Fund to Governmental Funds which do not record long term asset and liabilities. Therefore, these transfers are not included in the above table. For more information see the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

B. LONG-TERM DEBT

The following presents the long-term debt during the fiscal year ended September 30, 2015:

1. Capital Leases

On October 29, 2011, the City entered into a lease-purchase agreement to finance \$994,655 in vehicles, one fire truck and two sanitation vehicles. This five-year capital lease has a 3.43% interest rate and provides for annual payments of \$213,793. On March 20, 2012, the City paid off the fire truck portion of the lease, changing the annual payments to \$106,906. Principal due at September 30, 2015, was \$104,349.

The future minimum lease obligations and the net present value of these minimum lease payments at September 30, 2015, were as follows:

Fiscal Year	Governmental Activities
2016	\$ 106,906
Total Minimum Lease Payments	106,906
Less: Amount Representing Interest	2,557
Present Value of Minimum Lease Payments	\$ 104,349

2. Non-current Liabilities

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

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

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

	<u>2012</u>	<u>2012A</u>	<u>2012B</u>
Original Amount Issued	\$ 3,280,000	\$ 510,000	\$ 1,454,000
Final Maturity	April 1, 2021	April 1, 2016	April 1, 2016
Interest Rates	1.51%	0.92%	1.40%
Monthly Payments	<u>\$ 34,596</u>	<u>\$ 12,638</u>	<u>\$ 36,328</u>
Amount Outstanding at September 30, 2015	<u>\$ 2,221,366</u>	<u>\$ 88,193</u>	<u>\$ 253,112</u>

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

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

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

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

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

The term, interest rate and payments are as follows:

Original Amount Issued	\$ 6,505,000
Final Maturity	October 1, 2025
Interest Rate	1.96%
Annual Payments Range:	<u>\$ 543,000 - 676,000</u>
Amount Outstanding at September 30, 2015	<u>\$ 6,505,000</u>

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

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

The term, interest rate and payments are as follows:

Original Amount Issued	\$ 1,280,000
Final Maturity	October 1, 2028
Interest Rate	2.87%
Annual Payments:	<u>\$ 106,000</u>
Amount Outstanding at September 30, 2015	<u>\$ 1,206,000</u>

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

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

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

The bond's principal amount outstanding at September 30, 2015 was \$16,205,000.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

e. Stormwater System Revenue and Refunding Bonds, Series 2012

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

The bond's principal amount outstanding at September 30, 2015 was \$5,484,000.

f. Stormwater System Revenue Bonds, Series 2014

On December 18, 2014, the City issued \$6,120,000 Stormwater System Revenue Bonds, Series 2014, pursuant to both Resolution 12-18 and 14-36 adopted by the City Commission of the City of Dunedin. The purpose of incurring the debt was to finance and/or reimburse the costs of design, permitting, acquisition, construction and reconstruction of improvements to the Stormwater System. Together with project proceeds, the amount borrowed included approximately \$132,000 in issuance and financing costs. Principal is paid once a year on October 1, and interest is paid on October 1 and April 1 each year through October 1, 2044. Full year annual debt service (includes principal and interest) payments range from approximately \$340,000 - \$345,000. The coupon interest rate varies during the life of the bonds and ranges from 2.00% - 4.00%.

The bond's principal amount outstanding at September 30, 2015 was \$6,120,000.

g. Pledged Revenue Disclosures

The City has pledged a portion of future non ad valorem revenues for the repayment of the Spring Training Facility and the Fire Station Notes. Future State and County revenues were also pledged for the repayment of the Spring Training Facility. For the current year, principal and interest paid for both Notes were \$1,112,459. Legally available non ad valorem revenues were \$10,656,822 and payments from the State and County respectively were \$500,004 and \$297,980.

The City has pledged a portion of future half cent sales tax revenue to repay the Community Center Refunding Bonds. An interest payment of \$24,083 was paid in the current year and half cent sales tax revenues were \$2,165,558.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

The City has pledged the net revenues of the water/sewer and stormwater utility systems to repay the Water and Sewer System Refunding Revenue Bonds, Series 2012. Principal and interest payments paid for the current year and net revenue for the water/sewer utility were \$1,462,502 and \$3,540,211 respectively. Principal and interest payments paid for the current year and net revenue for the stormwater utility were \$120,360 and \$1,676,295 respectively.

The City has pledged the gross revenues of the stormwater utility system to repay the Stormwater System Revenue and Refunding Bonds, Series 2012 and the Stormwater System Revenue Bonds, Series 2014. The current year principal and interest paid for these stormwater bonds were \$458,530 and total gross revenues were \$3,426,555.

h. Debt service requirements

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

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>All Funds</u>
2016	\$ 1,320,850	\$ 191,973	\$ 1,323,000	\$ 970,266	\$ 3,806,089
2017	1,013,050	170,535	1,391,000	930,610	3,505,195
2018	1,035,992	151,539	1,428,000	884,278	3,499,809
2019	1,060,025	132,087	1,480,000	831,182	3,503,294
2020	1,073,150	112,275	1,538,000	775,359	3,498,784
2021-2025	3,809,953	311,771	8,621,000	2,908,244	15,650,968
2026-2030	1,065,000	29,651	7,032,000	1,354,138	9,480,789
2031-2035	-	-	2,186,000	688,218	2,874,218
2036-2040	-	-	1,275,000	411,094	1,686,094
2041-2045	-	-	1,535,000	148,219	1,683,219
Total	\$ 10,378,020	\$ 1,099,831	\$ 27,809,000	\$ 9,901,608	\$ 49,188,459

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

3. Changes in Long-Term Liabilities

Long-term liability activities for the year ended September 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital Leases	\$ 415,177	\$ -	\$ (310,828)	\$ 104,349	\$ 104,349
Bonds and Notes Payable	11,645,322	6,505,000	(7,876,651)	10,273,671	1,216,501
Compensated absences	1,644,455	1,756,226	(1,767,030)	1,633,651	25,766
Claims	521,644	10,295	-	531,939	104,424
Net OPEB Obligation	<u>293,904</u>	<u>37,275</u>	<u>-</u>	<u>331,179</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 14,520,502</u>	<u>\$ 8,308,796</u>	<u>\$ (9,954,509)</u>	<u>\$ 12,874,789</u>	<u>\$ 1,451,040</u>
Business-Type Activities:					
Bonds and Notes Payable	\$ 22,876,000	\$ 6,120,000	\$ (1,187,000)	\$ 27,809,000	\$ 1,323,000
Deferred Amounts for:					
Unamortized Premiums	<u>1,100,774</u>	<u>116,554</u>	<u>(87,716)</u>	<u>1,129,612</u>	<u>88,729</u>
Total Revenue Bonds	23,976,774	6,236,554	(1,274,716)	28,938,612	1,411,729
Compensated Absences	978,709	589,800	(608,974)	959,535	38,294
Net OPEB Obligation	<u>159,963</u>	<u>16,250</u>	<u>-</u>	<u>176,213</u>	<u>-</u>
Business-Type Activity Long-Term Liabilities	<u>\$ 25,115,446</u>	<u>\$ 6,842,604</u>	<u>\$ (1,883,690)</u>	<u>\$ 30,074,360</u>	<u>\$ 1,450,023</u>

Internal service funds predominately serve governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$231,496 and \$32,418 of internal service funds' compensated absences and net OPEB obligation, respectively, are included in the above amounts. The General Fund has historically been used to liquidate the net pension obligation or increase the net pension asset. Conversely, the net OPEB obligation has been liquidated by all of the City's funds in the form of health insurance premiums paid. The amount paid by each fund is derived from the number of employees in each fund.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE V – OTHER INFORMATION

A. PENSION

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

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

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

Florida Retirement System (FRS)

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

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

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

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

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

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

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

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

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. The FRS requires a 3% contribution for members effective July 1, 2011. Governmental employers are required to make contributions based on statewide rates. The FRS establishes contributions based on the state fiscal year, which begins July 1st. For the period of October 1, 2014 to June 30, 2015, the contribution rates, by job class, were as follows: regular employees 7.37%, senior management 21.14%, and DROP participants 12.28%. The City's contribution

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

includes .04% for an administrative and educational fee. For the period of July 1, 2015 to September 30, 2015, the contribution rates, by job class, were as follows: regular employees 7.26%, senior management 21.43%, and DROP participants 12.88%. The City's contribution includes .04% for an administrative and educational fee. FRS also provides disability and survivors' benefits. Benefits are established by Florida State Statute. The contribution requirements of employers are established and may be amended by the Division of Retirement.

The City's contributions to the FRS Pension Plan (not including the 1.26 percent HIS Program Contributions or employee contributions) totaled \$294,557 for fiscal year ending September 30, 2015. Employee contributions totaled \$81,003 for the same period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015 the City reported a liability of \$1,636,636 for its proportionate share of the FRS Pension Plan net pension liability. The City's proportionate share of the total FRS net pension plan liability was .012671046%.

For the year ended September 30, 2015, the City recognized pension expense of \$101,233 for the FRS Pension Plan. At September 30, 2015 the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 172,780	\$ (38,816)
Changes of assumptions	108,629	-
Net difference between projected and actual earnings	-	(390,801)
Subtotal	<u>281,409</u>	<u>(429,617)</u>
Changes in City proportion	217,233	(351,371)
City contributions subsequent to the measurement date	58,794	-
Total	<u>\$ 557,436</u>	<u>\$ (780,988)</u>

The deferred outflows of resources related to pensions totaling \$58,794 resulting from City contributions subsequent to the measurement date and net deferred inflows totaling (\$134,138) from changes in City proportion, will be recognized as an increase of the net pension liability in the year ended September 20, 2016. Other amounts reported for the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Year ended September 30:		
2016	\$	(129,470)
2017		(129,470)
2018		(129,470)
2019		192,952
2020		37,470
Thereafter*		9,780
	<u>\$</u>	<u>(148,208)</u>

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

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

Valuation Date	July 1, 2014
Measurement date	September 30, 2014
Discount rate	7.65%
Investment rate of return	7.65%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with projection scale BB
Actuarial cost method	Entry age normal

The actuarial assumptions that determined the total pension liability of the FRS Pension Plan as of June 30, 2014, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The changes in actuarial assumptions for demographic and economic assumptions (all of the above assumptions except actuarial cost method) correspond to changes in the same assumptions in the FRS actuarial study for funding purposes. These changes were approved by the 2014 FRS Actuarial Assumptions Conference. The changes are explained below:

- The discount rate and long-term expected rate of return, net of investment expense were both reduced since the prior actuarial valuation by 0.10 percent from 7.75 percent to 7.65 percent to increase the likelihood that FRS will meet or exceed its assumed investment return in future years.
- The assumed inflation rate was decreased from 3.00 percent in July 1, 2013 valuation to 2.60 percent in the July 1, 2014 valuation in order to bring the rate in line with the combined Social Security intermediate long-term and lower near-term assumptions.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

- The salary increase assumption, including inflation was decreased by 0.75 percent from 4.00 percent to 3.25 percent. The decrease was due to two factors, a decrease in inflation as previously explained and a decrease in real wage growth. The decrease in real wage growth was made to better align with the trailing 10-year growth in payroll as well as to be in a reasonable range based on observed national data and the Social Security Administration's forward-looking assumption sets.
- The mortality assumption was changed to incorporate Projection Scale BB in the July 1, 2014 actuarial valuation, in place of the Projection Scale AA previously used. The use of Scale BB allowed FRS to use a standard Society of Actuaries mortality table for each membership class/gender group without additional adjustment.

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

Long-Term Expected Rate of Return – To develop an analytical basis for the selection of the long-term assumption for the FRS Pension Plan, the 2014 FRS Actuarial Assumptions conference reviews long-term assumptions developed by multiple contracted capital market assumptions teams. The table below shows resulting assumptions for each of the asset classes in which the plan was invested based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The expected real rate of return is presented in arithmetic means.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Asset Class	Target Allocation	Long-Term Arithmetic Expected Real Rate of Return
Cash	1.0%	3.11%
International-Term Bonds	18.0%	4.18%
High Yield Bonds	3.0%	6.79%
Broad US Equities	26.5%	8.51%
Developed Foreign Equities	21.2%	8.66%
Emerging Market Equities	5.3%	11.58%
Private Equity	6.0%	11.80%
Hedge Funds / Absolute Return	7.0%	5.81%
Real Estate (Property)	12.0%	7.11%
Total	<u>100%</u>	

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 7.65 percent. Also presented is what the City's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	1% Decrease 6.65%	Rate 7.65%	1% Increase 8.65%
City's proportionate share of the			
FRS Pension Plan net pension liability	\$ 4,240,893	\$ 1,636,636	\$ (530,534)

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

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

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

For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. Terms of the benefits provided by the Plan may be amended only by the State Legislature with a change in the Statutes governing the Plan.

Contributions – The HIS Pension Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2015, the contribution rate was 1.26 percent of payroll pursuant to section 112.363, Florida Statutes. There are no employee contributions required for the HIS Pension Plan. HIS Pension Plan contributions are deposited in a separate trust fund from which HIS payments are authorized.

The City's contributions to the HIS Pension Plan totaled \$47,951 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015 the City reported a liability of \$1,254,962 for its proportionate share of the HIS Pension Plan net pension

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

liability. The City's proportionate share of the total HIS net pension plan liability was .012305445%.

For the year ended September 30, 2015, the City recognized pension expense of \$56,856 for the HIS Pension Plan. At September 30, 2015 the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in assumptions	\$ 98,733	\$ -
Net difference between projected and actual earnings	679	-
Subtotal	99,412	-
Change in City proportion	-	(214,354)
City contributions subsequent to the measurement date	12,489	-
Total	\$ 111,901	\$ (214,354)

The deferred outflows of resources related to pensions totaling \$12,489 resulting from City contributions subsequent to the measurement date and deferred inflows totaling (\$214,354) from changes in City proportion, will be recognized as an increase of the net pension liability in the year ended September 20, 2016. Other amounts reported for the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

Year ended September 30:	
2016	\$ 17,194
2017	17,194
2018	17,194
2019	17,056
2020	16,990
Thereafter*	13,784
	\$ 99,412

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

Actuarial Assumptions – The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of the valuation date, calculated based on the discount date and actuarial assumptions below, and was then projected to the measurement date.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Valuation Date	July 1, 2014
Measurement date	September 30, 2014
Discount rate	4.29%
Municipal bond rate	4.29%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with projection scale BB
Actuarial cost method	Entry age normal

The actuarial assumptions that determined the total pension liability of the HIS Pension Plan as of June 30, 2014, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

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

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

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 4.29 percent. Also presented is what the City's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.29 percent) or 1-percentage-point higher (5.29 percent) than the current rate:

	1% Decrease 3.29%	Rate 4.29%	1% Increase 5.29%
City's proportionate share of the FRS Pension Plan net pension liability	\$ 1,429,971	\$ 1,254,962	\$ 1,109,031

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

2. Firefighters' Retirement Fund

During the fiscal year ending September 30, 2015, the City implemented GASB Statement Number 68, *Accounting and Financial Reporting for Pension Plans* and GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, as it relates to the City of Dunedin's Firefighters' Pension Trust Fund, a fiduciary fund in the City's financial statements. This required the City to record on its financial statements, a net pension asset. The net pension liability (asset) is measured as the portion of the present value of projected benefit payments to be provided through the respective pension plan to the current active and inactive employees that is attributed to those employees' past periods (total pension liability), less the amount of the pension plan's fiduciary net position.

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

GASB Statement 67 *Financial Reporting For Pension Plans*, was adopted during the fiscal year ending September 30, 2014. GASB Statement No. 67 requires certain disclosures to be made for state and local government pension plans. It requires the net pension liability (asset) to be measured as the total pension liability, less the amount of the pension plan's fiduciary net position. The total pension liability (asset) should be determined by (a) an actuarial valuation as of the date of measurement, or (b) the use of update procedures to roll forward the measurement date amounts from an actuarial valuation as of a date no more than 24 months prior to the pension plan's fiscal year end. Since the Firefighters' Pension Plan issues its own financial statements incorporating these disclosures, these disclosures are not included in the City's notes to its financial statements.

The following disclosures are in accordance with the requirements of GASB Statements No. 68 and No. 71.

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Plan Membership in the Plan as of September 30, 2014:

Group	Number of Employees
Inactive plan members or beneficiaries currently receiving benefits	44
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	50
Total	97

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

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

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

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

current sale between market participants, other than in a forced or liquidated sale. Investment transactions are recorded on a trade date basis.

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

GASB Statement No. 68 allows the net pension liability to be measured as of a date no earlier than the end of the employer's prior fiscal year. Additionally, the total pension liability should be determined by (a) an actuarial valuation as of the measurement date, or (b) the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end.

The City's Firefighters' Pension Plan's net pension liability (asset) recorded in the September 30, 2015 financial statements was measured as of September 30, 2014 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

The City's firefighters' net pension asset at September 30, 2015 will agree to the Change in Net Pension Liability (Asset) schedule that is presented on the following page. The City's firefighters' pension plan's fiduciary net position used in the calculation is dated as of the measurement date of September 30, 2014 and will agree to the Pension Plan's financial statements as of September 30, 2014.

Actuarial Assumptions – The total pension liability (asset) was determined by an actuarial valuation as of October 1, 2014 using the following actuarial assumptions:

Inflation	3.50%
Salary increases	4% - 14%
Investment rate of return	7.75%

RP-2000 Table with no projection - Based on study of 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

arithmetic real rates of return for each major asset class included the pension plan's target asset allocation as of September 30, 2014, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	55%	8.25%
International Equity	10%	8.25%
Domestic Bonds	25%	3.00%
Real Estate	10%	6.25%
Total	<u>100%</u>	

Changes in Net Pension Liability (Asset)

	Firefighters' Plan		
	Increase (Decrease)		
	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at September 30, 2013	\$ 21,513,652	\$ 22,397,685	\$ (884,033)
Changes for the year:			
Service cost	793,320	-	793,320
Interest	1,685,549	-	1,685,549
Change in Excess State Money	9,746	-	9,746
Share Plan Allocation	29,234	-	29,234
Contributions - Employer	-	510,314	(510,314)
Contributions - Employer (through state)	-	322,030	(322,030)
Contributions - Employee	-	176,623	(176,623)
Contributions - Buy Back	64,645	64,645	-
Net investment income	-	1,904,122	(1,904,122)
Benefit Payments, Including Refunds			
of Employee Contributions	(1,083,306)	(1,083,306)	-
Administrative expense	-	(44,389)	44,389
Net changes	<u>1,499,188</u>	<u>1,850,039</u>	<u>(350,851)</u>
Balance at September 30, 2014	<u>\$ 23,012,840</u>	<u>\$ 24,247,724</u>	<u>\$ (1,234,884)</u>

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate – The following table illustrates the impact of interest rate sensitivity on the net pension liability (asset) as of September 30, 2015.

	1% Decrease 6.75%	Rate 7.75%	1% Increase 8.75%
City's net pension liability (asset)	\$ 1,370,486	\$ (1,234,884)	\$ (3,428,660)

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

For the year ended September 30, 2015, the City will recognize a pension expense of \$578,830. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual earnings on pension investments	\$ -	\$ 136,317
Employer contributions made subsequent to the measurement date	805,281	-
Total	\$ 805,281	\$ 136,317

The deferred outflows of resources related to the City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net position liability (asset) for the year ended September 30, 2016. Deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2016	\$ 34,079
2017	34,079
2018	34,079
2019	34,080
	\$ 136,317

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

	Net Pension Asset	Net Pension Liability	Deferred Outflow of Resources	Deferred Inflow of Resources
FRS	\$ -	\$ 1,636,636	\$ 557,436	\$ 780,988
HIS	-	1,254,962	111,901	214,354
Firefighters'	1,234,884	-	805,281	136,317
	<u>\$ 1,234,884</u>	<u>\$ 2,891,598</u>	<u>\$ 1,474,618</u>	<u>\$ 1,131,659</u>

3. Defined Contribution Plan

Beginning January 1, 1996, the City began providing retirement benefits for all of its full-time employees not covered under the Florida Retirement System or the Municipal Firefighters' Pension Trust Fund through a non-contributory defined contribution plan administered by Empower Retirement under their prototype Profit-Sharing Plan and Trust Agreement. At September 30, 2015, there were 222 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, 2015, was \$17,070,353. The City's contributions were calculated using the participants' salary amount of \$9,195,582. The City's contributions to the Plan for the years ended September 30, 2015, 2014, and 2013 were \$851,601, \$811,124, and \$767,924, respectively.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

B. SELF INSURANCE PROGRAM

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

In 2009, the City established a Self-Insurance Fund which is an Internal Service Fund to account for and finance its uninsured risk of loss. The City utilizes this fund to self-insure the first \$250,000 of property damage per occurrence (except wind, hail, and named storms). Other deductibles include 5% for Named Storm, subject to a minimum of \$500,000; \$250,000 for all other Wind, \$100,000 for Flood damage, and \$350,000 of any employee work injuries. The City also self-insures all auto liability and the majority of general liability losses, except for Dunedin recreation summer camp and St. Andrews Links Golf Course, where separate insurance policies are utilized. All claims for general liability, automobile liability, and public officials and professional liability of covered assets are included within the City's Self-Insurance Fund.

The City purchases commercial stop-loss insurance for claims in excess of coverage provided by the Fund and for other risks of loss. Settled claims have not exceeded the overall program premiums since the plan's inception.

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

The claims liability of \$415,315, reported in the Fund at September 30, 2015, is based on information identified prior to the issuance of the financial statements, and indicates that a liability has been incurred as of the date of the financial statements and that the amount of the loss can be reasonably estimated. These liabilities, including IBNR (incurred but not reported claims), are based on the estimated ultimate cost of settling the claims (excluding the effects of inflation and other societal and economic factors), using past experience adjusted for current trends and any other factors that would modify past experiences. Claims liabilities also include specific incremental claim adjustment expenses. Changes in the Fund's claims liability amount during the year ended September 30, 2015, are as follows:

	Workers Compensation	Property and Liability	Total
Claims reserve, September 30, 2013	\$ 241,941	\$ 221,719	\$ 463,660
Plus: Incurred claims and reserve adjustments	150,465	86,072	236,537
Less: Paid claims and reserve adjustments	<u>(210,922)</u>	<u>(168,361)</u>	<u>(379,283)</u>
Claims reserve, September 30, 2014	181,484	139,430	320,914
Plus: Incurred claims and reserve adjustments	704,789	674	705,463
Less: Paid claims and reserve adjustments	<u>(560,979)</u>	<u>(50,083)</u>	<u>(611,062)</u>
Claims reserve, September 30, 2015	<u>\$ 325,294</u>	<u>\$ 90,021</u>	<u>\$ 415,315</u>

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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

Changes in the Fund's claims liability amount during the year ended September 30, 2015, are as follows:

	Health Benefit Plan
Claims reserve, October 1, 2013	\$ 188,544
Plus: Incurred claims and reserve adjustments	2,572,533
Less: Paid claims and reserve adjustments	(2,560,347)
Claims reserve, September 30, 2014	200,730
Plus: Incurred claims and reserve adjustments	2,482,726
Less: Paid claims and reserve adjustments	(2,566,832)
Claims reserve, September 30, 2015	\$ 116,624

C. POST-EMPLOYMENT BENEFITS

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

Plan Description and Funding Policy

Employees who retire from the City of Dunedin, and eligible dependents and survivors, are eligible to continue to participate in the City's health insurance programs at the "blended" employee group rate which is determined annually by the City and approved by the City Commission. Retirees have 31 days to elect to enroll in the City's health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of the latest actuarial valuation date, a total of 280 active employees and 13 retired, inactive employees were participating in the City's health program. The City provides no funding for any portion of the premiums after retirement; however, the City recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

Annual OPEB Cost and Net OPEB Obligation

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

	Annual OPEB Cost
Annual Required Contribution (ARC)	\$ 115,992
Interest on Net OPEB Obligation	18,155
Adjustment to ARC	<u>(18,037)</u>
Annual OPEB Cost	116,110
Contributions made (pay-as-you-go basis)	<u>62,585</u>
Increase in Net OPEB Obligation	53,525
Net OPEB Obligation, beginning of year	<u>453,867</u>
Net OPEB Obligation, end of year	<u>\$ 507,392</u>

The City's three year trend information, consisting of annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2015, 2014, and 2013, are as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2015	\$ 116,110	53.9%	\$ 507,392
9/30/2014	114,826	55.2%	453,867
9/30/2013	117,275	49.6%	402,472

As of October 1, 2014, the most recent actuarial valuation date the actuarial accrued liability (AAL) for benefits was \$1,166,148, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,166,148. The ratio of the UAAL to covered payroll of \$14,951,747 is 7.8%.

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Actuarial Methods and Assumptions

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

Measurement Date	9/30/2015 (with results that were projected backwards to October 1, 2014 on a “no loss/no gain” basis)
Valuation Date	9/30/2015
Actuarial Cost Method	Projected Unit Credit with linear proration to decrement
Amortization Period	30 years
Amortization Method	Level Percent of Pay Over 30 Years Based on an Open Group
Discount Rate	4.00% Unfunded
Inflation Rate	3.00%
Healthcare Cost Trend	9.0% (grading down to 5% in 2024+)
Payroll Growth Rate	3.00% per year

D. CONTINGENCIES AND COMMITMENTS

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

E. FEDERAL AND STATE GRANTS

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

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE VI – FUND BALANCE REPORTING

	General <u>Fund</u>	One Cent Sales Tax <u>Fund</u>	Community Redevelopment <u>Agency</u>	Other Governmental <u>Funds</u>	<u>Total</u>
Nonspendable:					
Inventory	\$ 3,342	\$ -	\$ -	\$ -	\$ 3,342
Prepaid	9,997	-	-	-	9,997
Restricted:					
Public Safety	58,601	-	-	-	58,601
Windlasses/DYSA	3,872	-	-	-	3,872
Adopt-a-Tree	1,672	-	-	-	1,672
Training - Building Department	11,344	-	-	-	11,344
Bequests - Library	110,827	-	-	-	110,827
Bequests - Other	94,550	-	-	-	94,550
Housing	69,198	-	-	-	69,198
Stadium	-	-	-	66,239	66,239
Impact Fees	-	-	-	161,256	161,256
County Gas Tax	-	-	-	1,158,914	1,158,914
One Cent Sales Tax	-	4,282,417	-	-	4,282,417
Community Redevelopment	-	-	487,771	-	487,771
Committed:					
G. Koutsourais	20,728	-	-	-	20,728
Cemetery	239,305	-	-	-	239,305
Tree Bank	17,186	-	-	-	17,186
Capital Improvement	-	-	-	284,151	284,151
Assigned:					
Subsequent year's operations	765,970	-	-	-	765,970
Unassigned	6,414,126	-	-	-	6,414,126
Total	<u><u>\$ 7,820,718</u></u>	<u><u>\$ 4,282,417</u></u>	<u><u>\$ 487,771</u></u>	<u><u>\$ 1,670,560</u></u>	<u><u>\$ 14,261,466</u></u>

Governmental fund balances reported on the fund financial statements at September 30, 2015, include the following:

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

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

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the City Commission, which is the City's highest level of decision making authority, with same formal action (resolution) occurring

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

prior to the City’s fiscal year-end. Commitments may be modified or removed only by the City Commissioners taking the same formal action that imposed the constraint originally.

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

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

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

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

Encumbrances

Major governmental funds:	
General Fund	\$ 53,606
One Cent Sales Tax Fund	50,000
Total Major funds	103,606
Other Governmental Funds	540,773
Total Encumbrances	\$ 644,379

Subsequent Year's Budget

General Fund	\$ 121,591
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Unassigned Fund Balance – This is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund, except for the General Fund, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Regarding spending priorities, the City’s fund balance guideline does not address prioritization among fund balance categories. However, it is assumed that restricted funds will be spent first unless there are legal documents that prohibit doing this, such as grant agreements. For unrestricted fund balance amounts, committed would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

NOTE VII – RESTATEMENT OF PRIOR YEAR BALANCES

The October 1, 2014 beginning net position of the following activities was restated due to the implementation of GASB Statements 68 and 71:

Government Activities:

Net Position, September 30, 2014	\$ 76,308,256
Cumulative effect of adoption of GASB Nos. 68 & 71	<u>(304,629)</u>
Net Position as restated, September 30, 2014	<u>\$ 76,003,627</u>

Business-Type Activities:

Net Position, September 30, 2014	\$ 56,482,757
Cumulative effect of adoption of GASB Nos. 68 & 71	<u>(1,487,697)</u>
Net Position as restated, September 30, 2014	<u>\$ 54,995,060</u>

The implementation of GASB Statements No. 68 and No. 71 resulted in the Governmental Activities recording deferred outflows of \$1,150,067; deferred inflows of \$955,828 and a net pension liability of \$389,841. Additionally, prior year net pension asset of \$109,027 (GASB Statement 27 amended) was reversed. Business-type activities recorded deferred outflows of \$247,217; deferred inflows of \$743,721 and a net pension liability of \$991,193.

NOTE VIII – SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF DUNEDIN, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015**

FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN

Schedule of City Contributions

	2015
Actuarially Determined Contribution	\$ 308,931
Contributions Related to the Actuarially Determined Contribution	308,931
Contribution Deficiency	\$ -
Covered-Employee Payroll	\$3,585,918
Contributions as a Percentage of Covered- Employee Payroll	8.62%

Note:

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

Schedule of City's Proportionate Share of Net Pension Liability

	2015
City of Dunedin's proportion of the net pension liability (asset)	0.012671046%
City of Dunedin's proportionate share of the net pension liability (asset)	\$ 1,636,636
City of Dunedin's covered-employee payroll	\$ 3,585,918
City of Dunedin's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	45.64%
Plan fiduciary net position as a percentage of the total pension liability	92.00%

* The amounts presented were determined as of 6/30.

Note:

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

**CITY OF DUNEDIN, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015**

**RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM
DEFINED BENEFIT PENSION PLAN**

Schedule of City Contributions

	2015
Actuarially Determined Contribution	\$ 47,039
Contributions Related to the	
Actuarially Determined Contribution	47,039
Contribution Deficiency	\$ -
Covered-Employee Payroll	\$3,585,918
Contributions as a Percentage of Covered-Employee Payroll	1.31%

Note:

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

Schedule of City's Proportionate Share of Net Pension Liability

	2015
City of Dunedin's proportion of the net pension liability (asset)	0.012305445%
City of Dunedin's proportionate share of the net pension liability (asset)	\$ 1,254,962
City of Dunedin's covered-employee payroll	\$ 3,585,918
City of Dunedin's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	35.00%
Plan fiduciary net position as a percentage of the total pension liability	0.50%

* The amounts presented were determined as of 6/30.

Note:

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

**CITY OF DUNEDIN, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015**

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

	2014
Total Pension Liability (Asset)	
Service cost	\$ 793,320
Interest	1,685,549
Changes in excess state money	9,746
Share plan allocation	29,234
Differences between Expected and Actual Experience	-
Contributions - buy back	64,645
Benefit payments, including refunds of employee contributions	(1,083,306)
Net Change in Total Pension Liability (Asset)	1,499,188
Total Pension Liability (Asset) - Beginning	21,513,652
Total Pension Liability (Asset) - Ending (a)	\$ 23,012,840 ^(a)
 Plan Fiduciary Net Position	
Contributions - city	\$ 510,314
Contributions - state	322,030
Contributions - employee	176,623
Contributions - buy back	64,645
Net investment income	1,904,122
Benefit payments, including refunds of employee contributions	(1,083,306)
Administrative expense	(44,389)
Net Change in Plan Fiduciary Net Position	1,850,039
 Plan Fiduciary Net Position - Beginning	22,397,685
Plan Fiduciary Net Position - Ending (b)	\$ 24,247,724 ^(b)
 City's Net Pension Liability (Asset) - Ending (a) - (b)	\$ (1,234,884)
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	105.37%
 Covered-Employee Payroll	\$ 3,211,327
 City's Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	-38.45%

Notes to Schedule:

1. The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in fiscal year 2015.

**CITY OF DUNEDIN, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015**

MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

Schedule of City Contributions

	<u>2014</u>
Actuarially Determined Contribution	\$ 793,364
Contributions Related to the	
Actuarially Determined Contribution	793,364
Contribution Deficiency	<u>\$ -</u>
Covered-Employee Payroll	<u>\$ 3,211,327</u>
Contributions as a Percentage of Covered-	
Employee Payroll	24.71%

Notes to Schedule:

Valuation date: October 1, 2012*

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

Methods and assumptions used to determine the actuarially determined contribution:

Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level percentage of pay, closed
Amortization period	30 years (As of 10/01/2012)
Asset valuation method	5 year smoothing
Inflation	3.5% per year
Salary increases	15.0% in 1st year of service, 7.0% per year in years 2-5 and 5.0% per year beyond that. It is assumed that the last year's salary will be 5% to 15% higher as a result of lump sum and vacation payments at retirement.

Investment rate of return 7.75% per year compounded annually, net of investment expenses

Retirement rates	Number of Years After	
	First Eligibility for	
	Normal Retirement	Probability of Retirement
	0	35%
	1	20%
	2	20%
	3	20%
	4	20%
	5+	100%

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

Mortality RP-2000 Combined Healthy without projection; Disabled lives are set forward five years.

**CITY OF DUNEDIN, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015**

OTHER POST EMPLOYMENT BENEFITS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded		Estimated Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
			Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)		
10/01/15	-	\$1,166,148	\$1,166,148	0.0%	\$14,951,747	7.8%
10/01/14	-	1,201,769	1,201,769	0.0%	13,455,126	8.9%
10/01/13	-	1,225,207	1,225,207	0.0%	13,063,229	9.4%

Schedule of Employers Contributions

Fiscal Year	City Contribution	Annual	
		Required Contribution	Percentage Contributed
2015	\$ 62,585	\$115,992	54.0%
2014	63,431	114,721	55.3%
2013	58,194	117,186	49.7%
2012	73,052	141,668	51.6%

Nonmajor Governmental Funds

Special Revenue Funds

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

Stadium

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

Impact Fees

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

Library Co-Op

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

County Gas Tax

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

Capital Projects Funds

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

Parks & Recreation Capital Improvement

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

Capital Improvement

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

**City of Dunedin, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015**

	Special Revenue				Special Revenue Total
	Stadium	Impact Fees	Library Co-Op	County Gas Tax	
<u>ASSETS</u>					
Cash and cash equivalents	\$ 65,677	\$ 170,360	\$ -	\$ 1,135,630	\$ 1,371,667
Accounts Receivable	1,461	20	-	128	1,609
Due from other governments	-	-	-	83,725	83,725
Deposits	500	-	-	-	500
Total assets	<u>\$ 67,638</u>	<u>\$ 170,380</u>	<u>\$ -</u>	<u>\$ 1,219,483</u>	<u>\$ 1,457,501</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 899	\$ -	\$ -	\$ 37,421	\$ 38,320
Contracts payable	-	-	-	23,148	23,148
Deposits payable	500	-	-	-	500
Due to other governments	-	9,124	-	-	9,124
Total liabilities	<u>1,399</u>	<u>9,124</u>	<u>-</u>	<u>60,569</u>	<u>71,092</u>
<u>FUND BALANCES</u>					
Restricted Balance	66,239	161,256	-	1,158,914	1,386,409
Total fund balances	<u>66,239</u>	<u>161,256</u>	<u>-</u>	<u>1,158,914</u>	<u>1,386,409</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 67,638</u>	<u>\$ 170,380</u>	<u>\$ -</u>	<u>\$ 1,219,483</u>	<u>\$ 1,457,501</u>

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

**City of Dunedin, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015**

	<u>Capital Project</u>			Grand Total Nonmajor Governmental Funds
	Parks & Recreation Capital Improvement	Capital Improvement	Capital Projects Total	
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ 284,151	\$ 284,151	\$ 1,655,818
Accounts receivable	-	-	-	1,609
Due from other governments	-	-	-	83,725
Deposits	-	-	-	500
Total assets	<u>-</u>	<u>284,151</u>	<u>284,151</u>	<u>1,741,652</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 38,320
Contracts payable	-	-	-	23,148
Deposits payable	-	-	-	500
Due to other governments	-	-	-	9,124
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,092</u>
<u>FUND BALANCES</u>				
Restricted Balance	-	-	-	1,386,409
Committed	-	284,151	284,151	284,151
Unrestricted Balance	-	284,151	284,151	284,151
Total fund balances	<u>-</u>	<u>284,151</u>	<u>284,151</u>	<u>1,670,560</u>
Total liabilities, deferred inflows and fund balances	<u>\$ -</u>	<u>\$ 284,151</u>	<u>\$ 284,151</u>	<u>\$ 1,741,652</u>

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

City of Dunedin, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2015

	Special Revenue				
	Stadium	Impact Fees	Library Co-Op	County Gas Tax	Special Revenue Total
REVENUES					
Intergovernmental revenues	\$ 797,984	\$ -	\$ 344,490	\$ 502,411	\$ 1,644,885
Charges for services	296,045	-	-	-	296,045
Impact fees	-	24,228	-	-	24,228
Investment earnings (loss)	1,083	4,502	-	5,438	11,023
Other revenue / grants	58,570	-	-	-	58,570
Total revenues	1,153,682	28,730	344,490	507,849	2,034,751
EXPENDITURES					
Current:					
Transportation	-	-	-	88,239	88,239
Culture and recreation	554,568	-	335,561	-	890,129
Capital outlay:					
Transportation	-	-	-	444,908	444,908
Debt service:					
Principal	957,651	-	-	-	957,651
Interest	45,097	-	-	-	45,097
Total expenditures	1,557,316	-	335,561	533,147	2,426,024
Excess of revenues over (under) expenditures	(403,634)	28,730	8,929	(25,298)	(391,273)
OTHER FINANCING SOURCES (USES)					
Transfers in	351,859	-	-	-	351,859
Transfers out	-	(10,626)	(42,690)	-	(53,316)
Total other financing sources (uses)	351,859	(10,626)	(42,690)	-	298,543
Net change in fund balances	(51,775)	18,104	(33,761)	(25,298)	(92,730)
Fund balances - beginning	118,014	143,152	33,761	1,184,212	1,479,139
Fund balances - ending	\$ 66,239	\$ 161,256	\$ -	\$ 1,158,914	\$ 1,386,409

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

City of Dunedin, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2015

	Capital Project			Grand Total Nonmajor Governmental Funds
	Parks & Recreation Capital Improvement	Capital Improvement	Capital Projects Total	
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 1,644,885
Charges for services	-	-	-	296,045
Impact fees	-	-	-	24,228
Investment earnings / (loss)	-	-	-	11,023
Rents	6,000	-	6,000	6,000
Contributions and donations	27,000	-	27,000	27,000
Other revenue	-	-	-	58,570
Total revenues	<u>33,000</u>	<u>-</u>	<u>33,000</u>	<u>2,067,751</u>
EXPENDITURES				
Current:				
Transportation	-	-	-	88,239
Culture and recreation	46,633	-	46,633	936,762
Capital outlay:				
Transportation	-	-	-	444,908
Culture and recreation	86,973	-	86,973	86,973
Debt service:				
Principal	-	-	-	957,651
Interest	-	-	-	45,097
Total expenditures	<u>133,606</u>	<u>-</u>	<u>133,606</u>	<u>2,559,630</u>
Revenues over (under) expenditures	<u>(100,606)</u>	<u>-</u>	<u>(100,606)</u>	<u>(491,879)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	86,973	-	86,973	438,832
Transfers out	<u>(30,621)</u>	<u>-</u>	<u>(30,621)</u>	<u>(83,937)</u>
Total other financing sources (uses)	<u>56,352</u>	<u>-</u>	<u>56,352</u>	<u>354,895</u>
Net change in fund balances	(44,254)	-	(44,254)	(136,984)
Fund balances - beginning	44,254	284,151	328,405	1,807,544
Fund balances - ending	<u>\$ -</u>	<u>\$ 284,151</u>	<u>\$ 284,151</u>	<u>\$ 1,670,560</u>

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

City of Dunedin, Florida
Stadium Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Grants - state	\$ 500,000	\$ 500,000	\$ 500,004	4
Grants - local	297,980	297,980	297,980	-
Charges for Services Blue Jay ticket sales	290,000	290,000	275,833	(14,167)
Parking/concessions	27,500	27,500	20,212	(7,288)
Investment earnings	963	963	1,083	120
Other miscellaneous revenue	39,000	45,510	58,570	13,060
Total revenues	<u>1,155,443</u>	<u>1,161,953</u>	<u>1,153,682</u>	<u>(8,271)</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	539,101	610,913	554,568	56,345
Debt service:				
Principal	957,652	957,652	957,651	1
Interest	43,990	45,190	45,097	93
Total expenditures	<u>1,540,743</u>	<u>1,613,755</u>	<u>1,557,316</u>	<u>56,439</u>
Revenues over (under) expenditures	(385,300)	(451,802)	(403,634)	48,168
<u>OTHER FINANCING SOURCES/USES</u>				
Transfers in	261,859	351,859	351,859	-
Total other financing sources	<u>261,859</u>	<u>351,859</u>	<u>351,859</u>	<u>-</u>
Net change in fund balances	<u>\$ (123,441)</u>	<u>\$ (99,943)</u>	(51,775)	<u>\$ 48,168</u>
Fund balances - beginning			<u>118,014</u>	
Fund balances - ending			<u>\$ 66,239</u>	

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

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Grants - federal	\$ 15,200	\$ 15,200	\$ -	(15,200)
Impact Fees	91,784	91,784	24,228	(67,556)
Investment earnings	1,608	1,608	4,502	2,894
Total revenues	<u>108,592</u>	<u>108,592</u>	<u>28,730</u>	<u>(79,862)</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	-	10,609	-	10,609
Capital outlay:				
Transportation	<u>10,250</u>	<u>10,250</u>	-	<u>10,250</u>
Total expenditures	<u>10,250</u>	<u>20,859</u>	<u>-</u>	<u>20,859</u>
Revenues over (under) expenditures	98,342	87,733	28,730	(59,003)
<u>OTHER FINANCING SOURCES</u>				
Transfers out	-	(10,627)	(10,626)	1
Total other financing sources	<u>-</u>	<u>(10,627)</u>	<u>(10,626)</u>	<u>1</u>
Net change in fund balances	<u>\$ 98,342</u>	<u>\$ 77,106</u>	18,104	<u>\$ (59,002)</u>
Fund balances - beginning			<u>143,152</u>	
Fund balances - ending			<u>\$ 161,256</u>	

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

City of Dunedin, Florida
Dunedin Library Co-Op Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues	\$ 351,000	\$ 351,000	\$ 344,490	(6,510)
Total revenues	<u>351,000</u>	<u>351,000</u>	<u>344,490</u>	<u>(6,510)</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	335,845	335,845	335,561	284
Total expenditures	<u>335,845</u>	<u>335,845</u>	<u>335,561</u>	<u>284</u>
Revenues over (under) expenditures	15,155	15,155	8,929	(6,226)
<u>OTHER FINANCING SOURCES</u>				
Transfers out	-	(42,691)	(42,690)	1
Total other financing sources	<u>-</u>	<u>(42,691)</u>	<u>(42,690)</u>	<u>1</u>
Net change in fund balances	<u>\$ 15,155</u>	<u>\$ (27,536)</u>	(33,761)	<u>\$ (6,225)</u>
Fund balances - beginning			<u>33,761</u>	
Fund balances - ending			<u>\$ -</u>	

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

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Local option gas tax	\$ 493,488	\$ 493,488	\$ 502,411	8,923
Investment earnings	945	945	5,438	4,493
Total revenues	<u>494,433</u>	<u>494,433</u>	<u>507,849</u>	<u>13,416</u>
<u>EXPENDITURES</u>				
Current:				
Transportation	228,375	243,575	88,239	155,336
Capital outlay:				
Transportation	<u>465,000</u>	<u>960,150</u>	<u>444,908</u>	<u>515,242</u>
Total expenditures	<u>693,375</u>	<u>1,203,725</u>	<u>533,147</u>	<u>670,578</u>
Net change in fund balances	<u>\$ (198,942)</u>	<u>\$ (709,292)</u>	(25,298)	<u>\$ 683,994</u>
Fund balances - beginning			<u>1,184,212</u>	
Fund balances - ending			<u><u>\$ 1,158,914</u></u>	

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

City of Dunedin, Florida
Parks & Recreation Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Investment earnings	\$ 495	\$ 495	\$ -	(495)
Contributions and donations	27,000	27,000	27,000	-
Other revenue / grants:				
Rent	6,000	6,000	6,000	-
Total revenues	<u>33,495</u>	<u>33,495</u>	<u>33,000</u>	<u>(495)</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	-	2,019	46,633	(44,614)
Capital outlay:				
Culture and recreation	169,000	166,981	86,973	80,008
Total expenditures	<u>169,000</u>	<u>169,000</u>	<u>133,606</u>	<u>35,394</u>
Revenues over (under) expenditures	(135,505)	(135,505)	(100,606)	34,899
<u>OTHER FINANCING SOURCES</u>				
Transfers in	165,000	136,973	86,973	(50,000)
Transfers out	-	(30,621)	(30,621)	-
Total other financing sources	<u>165,000</u>	<u>106,352</u>	<u>56,352</u>	<u>(50,000)</u>
Net change in fund balances	<u>\$ 29,495</u>	<u>\$ (29,153)</u>	(44,254)	<u>\$ (15,101)</u>
Fund balances - beginning			<u>44,254</u>	
Fund balances - ending			<u>\$ -</u>	

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

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total expenditures	-	-	-	-
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances - beginning			<u>284,151</u>	
Fund balances - ending			<u>\$ 284,151</u>	

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



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Internal Service Funds

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

Vehicle Maintenance

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

Building Maintenance

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

Self – Insurance

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

Information Technology

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

**City of Dunedin
Internal Service Funds
Combining Statement of Net Position
September 30, 2015**

	<u>Vehicle Maintenance</u>	<u>Building Maintenance</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,437,665	\$ 1,094,658	\$ 3,886,367	\$ 97,965	\$ 7,516,655
Accounts receivable	-	21	1,052	44	1,117
Inventories	87,291	-	-	-	87,291
Prepaid items	315	-	28,223	14,529	43,067
Interest receivable	306	129	436	-	871
Deposits	-	-	120,998	-	120,998
Total current assets	<u>2,525,577</u>	<u>1,094,808</u>	<u>4,037,076</u>	<u>112,538</u>	<u>7,769,999</u>
Noncurrent assets:					
Capital assets:					
Buildings	1,179,463	645,528	-	-	1,824,991
Improvements other than buildings	4,744	-	-	-	4,744
Machinery and equipment	13,583,212	152,501	-	10,646	13,746,359
Less: accumulated depreciation	<u>(10,034,983)</u>	<u>(242,193)</u>	<u>-</u>	<u>(1,376)</u>	<u>(10,278,552)</u>
Total capital assets, net of accumulated depreciation	<u>4,732,436</u>	<u>555,836</u>	<u>-</u>	<u>9,270</u>	<u>5,297,542</u>
Total assets	<u>7,258,013</u>	<u>1,650,644</u>	<u>4,037,076</u>	<u>121,808</u>	<u>13,067,541</u>
LIABILITIES					
Current liabilities:					
Accounts payable	27,013	15,285	105,041	16,640	163,979
Accrued salaries payable	17,781	16,701	9,024	11,236	54,742
Contracts payable	-	32,132	-	-	32,132
Accrued interest payable	2,557	-	-	-	2,557
Capital leases payable - current	104,349	-	-	-	104,349
Claims liabilities	-	-	104,424	-	104,424
Total current liabilities	<u>151,700</u>	<u>64,118</u>	<u>218,489</u>	<u>27,876</u>	<u>462,183</u>
Noncurrent liabilities:					
Compensated absences	79,483	66,140	49,421	36,452	231,496
OPEB liability	13,572	13,936	4,116	794	32,418
Claims liabilities	-	-	427,515	-	427,515
Total noncurrent liabilities	<u>93,055</u>	<u>80,076</u>	<u>481,052</u>	<u>37,246</u>	<u>691,429</u>
Total liabilities	<u>244,755</u>	<u>144,194</u>	<u>699,541</u>	<u>65,122</u>	<u>1,153,612</u>
NET POSITION					
Net Investment in capital assets	4,628,087	555,836	-	9,270	5,193,193
Unrestricted	2,385,171	950,614	3,337,535	47,416	6,720,736
Total net position	<u>\$ 7,013,258</u>	<u>\$ 1,506,450</u>	<u>\$ 3,337,535</u>	<u>\$ 56,686</u>	<u>\$ 11,913,929</u>

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

City of Dunedin
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended September 30, 2015

	<u>Vehicle Maintenance</u>	<u>Building Maintenance</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 3,061,409	\$ 1,378,103	\$ 5,535,762	\$ 705,650	\$ 10,680,924
Miscellaneous revenue	257	27,964	311,546	-	339,767
Total operating revenues	<u>3,061,666</u>	<u>1,406,067</u>	<u>5,847,308</u>	<u>705,650</u>	<u>11,020,691</u>
Operating expenses:					
Personal services	603,826	528,436	259,816	366,660	1,758,738
Supplies and services	1,092,400	677,281	5,366,516	282,255	7,418,452
Depreciation	1,072,757	30,187	-	1,376	1,104,320
Total operating expenses	<u>2,768,983</u>	<u>1,235,904</u>	<u>5,626,332</u>	<u>650,291</u>	<u>10,281,510</u>
Operating income / (loss)	<u>292,683</u>	<u>170,163</u>	<u>220,976</u>	<u>55,359</u>	<u>739,181</u>
Nonoperating revenues (expenses):					
Investment earnings / (loss)	6,039	5,509	13,844	1,327	26,719
Interest/amortization expense	(3,520)	-	-	-	(3,520)
Gain / (Loss) on sale of capital assets	288,726	(711,942)	-	-	(423,216)
Total nonoperating revenues (expenses)	<u>291,245</u>	<u>(706,433)</u>	<u>13,844</u>	<u>1,327</u>	<u>(400,017)</u>
Income before contributions and transfers	583,928	(536,270)	234,820	56,686	339,164
Transfers in	178,441	1,280,000	-	-	1,458,441
Transfers out	<u>-</u>	<u>(2,999,017)</u>	<u>(332,687)</u>	<u>-</u>	<u>(3,331,704)</u>
Change in net position	762,369	(2,255,287)	(97,867)	56,686	(1,534,099)
Total net position - beginning	<u>6,250,889</u>	<u>3,761,737</u>	<u>3,435,402</u>	<u>-</u>	<u>13,448,028</u>
Net position ending	<u>\$ 7,013,258</u>	<u>\$ 1,506,450</u>	<u>\$ 3,337,535</u>	<u>\$ 56,686</u>	<u>\$ 11,913,929</u>

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

City of Dunedin
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2015

	<u>Vehicle Maintenance</u>	<u>Building Maintenance</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,061,409	\$ 1,378,082	\$ 5,546,172	\$ 705,606	\$ 10,691,269
Payments to suppliers	(1,255,452)	(800,219)	(5,421,811)	(280,144)	(7,757,626)
Payments to employees	(669,364)	(526,534)	(258,477)	(318,178)	(1,772,553)
Other operating revenue	257	27,964	311,546	-	339,767
Net cash provided by (used in) operating activities	<u>1,136,850</u>	<u>79,293</u>	<u>177,430</u>	<u>107,284</u>	<u>1,500,857</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out	-	-	(300,000)	-	(300,000)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>(300,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	290,926	219	-	-	291,145
Purchase of capital assets	(1,194,833)	(30,722)	-	(10,646)	(1,236,201)
Principal paid on capital debt	(310,828)	-	-	-	(310,828)
Interest paid on capital debt	(11,556)	-	-	-	(11,556)
Net cash provided by (used in) capital and related financing activities	<u>(1,226,291)</u>	<u>(30,503)</u>	<u>-</u>	<u>(10,646)</u>	<u>(1,267,440)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings received	7,765	6,220	16,587	1,327	31,899
Net cash provided by (used in) investing activities	<u>7,765</u>	<u>6,220</u>	<u>16,587</u>	<u>1,327</u>	<u>31,899</u>
Net increase in cash and cash equivalents	(81,676)	55,010	(105,983)	97,965	(34,684)
Cash and cash equivalents - October 1	2,519,341	1,039,648	3,992,350	-	7,551,339
Cash and cash equivalents - September 30	<u>\$ 2,437,665</u>	<u>\$ 1,094,658</u>	<u>\$ 3,886,367</u>	<u>\$ 97,965</u>	<u>\$ 7,516,655</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:					
Operating income / (loss)	\$ 292,683	\$ 170,163	\$ 220,976	\$ 55,359	\$ 739,181
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	1,072,757	30,187	-	1,376	1,104,320
(Increase) decrease in					
Accounts receivable	-	-	10,410	(44)	10,366
Inventories	10,674	(21)	-	-	10,653
Prepaid items	(315)	-	(1,683)	(14,529)	(16,527)
Deposits	-	-	(21,038)	-	(21,038)
Increase (decrease) in					
Accounts payable	(173,411)	(122,938)	(128,039)	16,640	(407,748)
Accrued wages payable	(1,737)	(1,281)	287	11,236	8,505
Claims liabilities	-	-	95,465	-	95,465
Compensated absences / OPEB	(63,801)	3,183	1,052	37,246	(22,320)
Total adjustments	<u>844,167</u>	<u>(90,870)</u>	<u>(43,546)</u>	<u>51,925</u>	<u>761,676</u>
Net cash provided by operating activities	<u>\$ 1,136,850</u>	<u>\$ 79,293</u>	<u>\$ 177,430</u>	<u>\$ 107,284</u>	<u>\$ 1,500,857</u>
Schedule of non-cash capital and related financing activities:					
Interfund transfer of capital assets	\$ 178,441	\$(2,787,927)	\$ -	\$ -	\$ (2,609,486)
Reassignment of debt	-	1,280,000	-	-	1,280,000

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

Statistical Section

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

Contents	Page
Financial Trends	117
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time	
Revenue Capacity	125
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax	
Debt Capacity	131
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future	
Demographic and Economic Information	139
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place	
Operating Information	143
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs	

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



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Financial Trends

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Net investment in capital assets	\$ 64,170,000	\$ 64,104,251	\$ 58,239,411	\$ 56,781,075	\$ 57,690,458	\$ 52,017,214	\$ 49,216,594	\$ 41,859,854	\$ 40,891,053	\$ 29,656,802
Restricted	6,506,661	4,840,593	4,424,603	5,892,014	3,309,277	919,351	666,759	1,492,721	1,580,164	1,452,082
Unrestricted	9,270,449	7,363,412	6,502,111	6,459,724	10,834,009	14,804,273	18,340,972	14,346,049	14,337,285	21,095,377
Total governmental activities net position	<u>\$ 79,947,110</u>	<u>\$ 76,308,256</u>	<u>\$ 69,166,125</u>	<u>\$ 69,132,812</u>	<u>\$ 71,833,744</u>	<u>\$ 67,740,838</u>	<u>\$ 68,224,325</u>	<u>\$ 57,698,624</u>	<u>\$ 56,808,502</u>	<u>\$ 52,204,261</u>
Business type activities:										
Net investment in capital assets	\$ 25,618,520	\$ 33,534,035	\$ 33,405,168	\$ 33,259,017	\$ 35,573,590	\$ 33,375,182	\$ 32,324,908	\$ 31,123,487	\$ 30,462,861	\$ 44,330,427
Restricted	1,283,476	1,184,262	1,146,633	1,015,491	8,719,804	9,734,525	12,119,646	11,491,080	13,757,080	4,677,025
Unrestricted	28,031,653	21,764,460	22,845,536	23,293,206	10,028,817	10,567,261	6,829,020	10,189,363	8,530,258	5,042,180
Total business type activities net position	<u>\$ 54,933,649</u>	<u>\$ 56,482,757</u>	<u>\$ 57,397,337</u>	<u>\$ 57,567,714</u>	<u>\$ 54,322,211</u>	<u>\$ 53,676,968</u>	<u>\$ 51,273,574</u>	<u>\$ 52,803,930</u>	<u>\$ 52,750,199</u>	<u>\$ 54,049,632</u>
Primary government:										
Net investment in capital assets	\$ 89,788,520	\$ 97,638,286	\$ 91,644,579	\$ 90,040,091	\$ 93,264,048	\$ 85,392,396	\$ 81,541,502	\$ 72,983,341	\$ 71,353,914	\$ 73,987,229
Restricted	7,790,137	6,024,855	5,571,236	6,907,505	12,029,081	10,653,876	12,786,405	12,983,801	15,337,244	6,129,107
Unrestricted	37,302,102	29,127,872	29,347,647	29,752,930	20,862,826	25,371,534	25,169,992	24,535,412	22,867,543	26,137,557
Total primary government net position	<u>\$ 134,880,759</u>	<u>\$ 132,791,013</u>	<u>\$ 126,563,462</u>	<u>\$ 126,700,526</u>	<u>\$ 126,155,955</u>	<u>\$ 121,417,806</u>	<u>\$ 119,497,899</u>	<u>\$ 110,502,554</u>	<u>\$ 109,558,701</u>	<u>\$ 106,253,893</u>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
EXPENSES										
Governmental activities:										
General government	\$ 3,902,176	\$ 3,941,552	\$ 3,359,312	\$ 2,428,449	\$ 2,169,100	\$ 2,499,304	\$ 3,681,315	\$ 2,578,302	\$ 2,964,692	\$ 2,489,508
Public safety	10,316,706	10,476,788	10,361,120	11,296,238	11,514,839	11,691,457	12,653,234	12,240,372	12,120,351	11,453,193
Physical environment	-	-	-	-	314,305	-	-	825	869	650
Transportation	2,112,366	2,135,489	1,999,785	1,897,883	2,248,772	2,226,040	1,839,363	2,610,475	(662,178)	2,125,973
Economic development	745,113	488,187	445,629	508,474	384,451	467,325	507,328	323,734	87,537	58,935
Culture and recreation	10,641,476	10,136,799	10,111,776	9,673,676	9,599,618	9,772,233	9,931,370	10,727,942	10,829,741	9,009,384
Interest on long term debt	469,673	424,781	528,625	642,358	920,611	772,810	834,618	866,910	966,878	1,085,875
Total government activities expenses	28,187,510	27,603,596	26,806,247	26,447,077	27,151,696	27,429,169	29,447,228	29,348,560	26,307,890	26,223,518
Business type activities:										
Solid waste	4,588,418	5,229,076	5,335,131	4,700,689	4,957,784	4,577,524	4,571,427	4,832,211	4,947,866	4,619,519
Water / sewer utility	16,326,720	15,970,790	15,508,529	16,647,088	17,122,361	16,661,525	18,511,182	17,899,287	17,244,324	14,490,880
Reclaimed water	-	-	-	-	-	-	-	(25,237)	(5,549)	1,622,107
Stormwater utility	3,360,965	3,037,098	2,725,954	2,150,715	1,892,990	1,792,841	1,615,538	1,729,016	1,365,579	1,196,132
Marina	369,324	345,892	292,000	458,798	491,495	484,848	478,476	469,475	471,605	432,949
Golf course	-	594	30,206	35,254	71,010	378,065	603,161	613,178	699,414	682,164
Total business type activities expenses	24,645,427	24,583,450	23,891,820	23,992,544	24,535,640	23,894,803	25,779,784	25,517,930	24,723,239	23,043,751
Total primary government expenses	\$ 52,832,937	\$ 52,187,046	\$ 50,698,067	\$ 50,439,621	\$ 51,687,336	\$ 51,323,972	\$ 55,227,012	\$ 54,866,490	\$ 51,031,129	\$ 49,267,269
PROGRAM REVENUES										
Governmental activities:										
Charges for services										
General government	\$ 343,285	\$ 523,230	\$ 486,155.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	3,635,991	3,227,174	3,394,107	3,358,410	3,008,565	2,899,019	2,518,229	2,634,437	2,526,975	2,837,017
Economic development	51,600	42,216	89,624	129,946	110,152	126,548	95,097	89,631	104,354	130,241
Culture and recreation	2,040,989	1,943,283	2,215,859	2,190,448	2,138,344	2,543,144	2,739,619	3,037,989	2,575,098	2,546,850
Operating grants and contributions	627,511	511,380	381,213	45,361	137,880	228,748	415,025	190,371	407,785	543,267
Capital grants and contributions	1,336,528	6,719,504	1,606,456	1,837,921	1,656,723	1,941,343	10,311,831	1,426,814	951,232	1,375,691
Total governmental activities program revenues	8,035,904	12,966,787	8,173,414	7,562,086	7,051,664	7,738,802	16,079,801	7,379,242	6,565,444	7,433,066
Business type activities:										
Charges for services										
Solid waste	4,946,096	4,775,203	4,687,484	5,010,962	4,975,022	5,551,050	5,269,810	5,084,949	4,919,341	4,680,412
Water / sewer utility	15,147,998	15,253,874	15,419,636	16,826,489	15,895,494	15,618,206	15,344,070	15,532,604	14,825,081	13,371,989
Reclaimed water	-	-	-	-	-	-	-	-	-	663,878
Stormwater utility	3,273,122	2,956,426	2,937,216	2,693,752	2,270,391	1,887,145	1,682,977	1,640,783	1,689,650	1,628,155
Marina	515,457	556,073	469,253	471,043	473,373	433,559	443,924	418,032	420,218	409,465
Golf course	-	-	7,452	(903)	25	214,859	473,021	552,518	595,071	570,035
Operating grants and contributions	-	-	-	-	7,113	-	-	571,527	113,645	-
Capital grants and contributions	334,300	1,375,017	137,414	2,114,029	822,883	628,771	973,045	763,242	104,997	316,281
Total business type activities revenues	24,216,973	24,916,593	23,658,455	27,115,372	24,444,301	24,333,590	24,186,847	24,563,655	22,668,003	21,640,215
Total primary government program revenues	\$ 32,252,877	\$ 37,883,380	\$ 31,831,869	\$ 34,677,458	\$ 31,495,965	\$ 32,072,392	\$ 40,266,648	\$ 31,942,897	\$ 29,233,447	\$ 29,073,281
NET EXPENSE										
Governmental activities	\$ (20,151,606)	\$ (14,636,809)	\$ (18,632,833)	\$ (18,884,991)	\$ (20,100,032)	\$ (19,690,367)	\$ (13,367,427)	\$ (21,969,318)	\$ (19,742,446)	\$ (18,790,452)
Business type activities	(428,454)	333,143	(233,365)	3,122,828	(91,339)	438,787	(1,592,937)	(954,275)	(2,055,236)	(1,403,536)
Total primary government net (expense) / revenue	\$ (20,580,060)	\$ (14,303,666)	\$ (18,866,198)	\$ (15,762,163)	\$ (20,191,371)	\$ (19,251,580)	\$ (14,960,364)	\$ (22,923,593)	\$ (21,797,682)	\$ (20,193,988)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Revenues										
Governmental activities:										
Taxes:										
Property taxes	\$ 7,040,424	\$ 6,569,073	\$ 5,767,080	\$ 6,096,273	\$ 6,540,293	\$ 7,277,630	\$ 8,364,594	\$ 9,212,358	\$ 9,982,922	\$ 8,844,774
Utility service taxes	4,282,586	4,446,105	4,223,089	4,208,418	4,534,665	4,807,075	4,713,985	4,248,062	4,273,255	4,253,827
Infrastructure sales surtax	3,436,710	3,192,877	3,013,051	2,810,128	2,674,927	2,720,927	4,727,908	3,708,123	3,188,280	3,603,251
Half cent sales tax	2,165,558	2,045,485	1,947,273	1,864,750	1,846,028	1,793,787	1,808,035	1,983,182	2,083,144	2,178,564
Franchise taxes	2,634,802	2,624,822	2,371,745	2,541,409	2,707,724	2,935,741	2,811,613	2,474,338	2,600,247	2,618,432
Other taxes	321,603	351,802	171,956	81,917	83,596	76,239	73,668	102,781	76,095	-
State revenue sharing	1,221,632	1,157,604	1,109,982	1,158,749	1,170,693	1,243,130	1,134,958	1,276,949	1,378,296	1,411,285
Grants and contributions not restricted to specific programs	2,932,567	-	-	-	-	1,639	-	-	-	-
Unrestricted investment earnings	98,536	21,778	48,438	76,561	95,313	146,429	(85,633)	340,398	664,200	825,776
Gain / (loss) on sale of capital assets	-	-	11,732	(37,708)	30,918	24,693	149,744	-	236,061	25,885
Transfers	(39,329)	1,369,394	1,800	(40,416)	(658,074)	(1,820,411)	(104,160)	(486,751)	(135,813)	(54,758)
Total government activities revenues	<u>24,095,089</u>	<u>21,778,940</u>	<u>18,666,146</u>	<u>18,760,081</u>	<u>19,026,083</u>	<u>19,206,879</u>	<u>23,594,712</u>	<u>22,859,440</u>	<u>24,346,687</u>	<u>23,707,036</u>
Business type activities:										
Unrestricted investment earnings	327,714	121,671	55,609	77,763	78,508	143,825	(43,434)	521,255	614,206	332,637
Gain (loss) on sale of capital assets	-	-	9,179	4,495	-	371	1,855	-	5,784	-
Transfers	39,329	(1,369,394)	(1,800)	40,416	658,074	1,820,411	104,160	486,751	135,813	54,758
Total business type activities	<u>367,043</u>	<u>(1,247,723)</u>	<u>62,988</u>	<u>122,674</u>	<u>736,582</u>	<u>1,964,607</u>	<u>62,581</u>	<u>1,008,006</u>	<u>755,803</u>	<u>387,395</u>
Total primary government revenues	<u>\$ 24,462,132</u>	<u>\$ 18,729,134</u>	<u>\$ 18,882,755</u>	<u>\$ 19,762,665</u>	<u>\$ 21,171,486</u>	<u>\$ 21,171,486</u>	<u>\$ 23,657,293</u>	<u>\$ 23,867,446</u>	<u>\$ 25,102,490</u>	<u>\$ 24,094,431</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 3,943,483	\$ 7,142,131	\$ 33,313	\$ (124,911)	\$ (1,073,949)	\$ (483,488)	\$ 10,227,285	\$ 890,122	\$ 4,604,241	\$ 4,916,584
Business type activities	(61,411)	(914,580)	(170,377)	3,245,503	645,243	2,403,394	(1,530,356)	53,731	(1,299,433)	(1,016,141)
Total primary government	<u>\$ 3,882,072</u>	<u>\$ 6,227,551</u>	<u>\$ (137,064)</u>	<u>\$ 3,120,592</u>	<u>\$ (428,706)</u>	<u>\$ 1,919,906</u>	<u>\$ 8,696,929</u>	<u>\$ 943,853</u>	<u>\$ 3,304,808</u>	<u>\$ 3,900,443</u>

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

Fiscal Year	Property	Franchise	Utility Service	Total
2006	\$ 8,844,774	\$ 2,618,432	\$ 4,253,827	\$ 15,717,033
2007	9,982,922	2,600,247	4,273,255	16,856,424
2008	9,212,358	2,474,338	4,248,062	15,934,758
2009	8,364,594	2,811,613	4,713,985	15,890,192
2010	7,277,630	2,935,741	4,807,075	15,020,446
2011	6,540,293	2,707,724	4,534,665	13,782,682
2012	6,096,273	2,541,409	4,208,418	12,846,100
2013	5,767,080	2,371,745	4,223,089	12,361,914
2014	6,569,073	2,624,822	4,446,105	13,640,000
2015	7,040,424	2,634,802	4,282,586	13,957,812

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

	2015	2014	2013	2012	2011	2010
General fund:						
Nonspendable	\$ 13,339	\$ 216,896	\$ 11,052	\$ 22,670	\$ 15,275	\$ 255,599
Restricted	350,064	352,473	585,458	567,305	627,388	612,627
Committed	277,219	228,418	-	-	-	-
Assigned	765,970	65,447	115,416	242,303	2,020,923	562,133
Unassigned	6,414,126	3,217,422	3,097,698	3,944,684	4,984,151	7,302,058
Total general fund	<u>\$ 7,820,718</u>	<u>\$ 4,080,656</u>	<u>\$ 3,809,624</u>	<u>\$ 4,776,962</u>	<u>\$ 7,647,737</u>	<u>\$ 8,732,417</u>
All other governmental funds:						
Nonspendable	\$ -	\$ 4,899	\$ -	\$ -	\$ 742	\$ 59,076
Restricted	6,156,597	4,483,221	3,839,145	3,379,423	2,681,888	3,782,026
Committed	284,151	328,405	237,177	483,645	603,830	397,793
Assigned	-	-	-	-	-	-
Unassigned	-	-	23,155	-	-	99,827
Total all other governmental funds	<u>\$ 6,440,748</u>	<u>\$ 4,816,525</u>	<u>\$ 4,099,477</u>	<u>\$ 3,863,068</u>	<u>\$ 3,286,460</u>	<u>\$ 4,338,722</u>
	2010	2009	2008	2007	2006	
General fund:						
Reserved	\$ 1,071,515	\$ 571,004	\$ 1,542,808	\$ 1,547,748	\$ 1,172,899	
Unreserved	7,658,106	7,470,489	6,392,564	7,039,453	7,382,400	
Total general fund	<u>\$ 8,729,621</u>	<u>\$ 8,041,493</u>	<u>\$ 7,935,372</u>	<u>\$ 8,587,201</u>	<u>\$ 8,555,299</u>	
All other governmental funds:						
Reserved, reported in:						
Special revenue funds	\$ 525,082	\$ 15,319	\$ 334,605	\$ 3,193,297	\$ 54,685	
Capital projects funds	562,702	279,355	27,410	154,142	423,505	
Unreserved, reported in:						
Special revenue funds	2,546,222	5,915,014	4,417,004	998,488	7,473,489	
Capital projects funds	707,512	667,991	911,711	814,596	3,545,504	
Total all other governmental funds	<u>\$ 4,341,518</u>	<u>\$ 6,877,679</u>	<u>\$ 5,690,730</u>	<u>\$ 5,160,523</u>	<u>\$ 11,497,183</u>	

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
REVENUES										
Taxes	\$ 13,957,812	\$ 13,640,000	\$ 12,361,914	\$ 12,846,100	\$ 13,782,682	\$ 15,020,446	\$ 15,890,192	\$ 15,934,758	\$ 16,856,424	\$ 15,717,033
Licenses, fees and permits	1,304,991	941,721	863,480	971,988	754,756	732,845	445,622	491,412	561,566	840,240
Intergovernmental	8,713,327	8,607,752	7,980,907	7,519,245	7,429,830	8,251,620	18,955,257	8,971,822	8,026,149	8,824,756
Charges for services	5,778,492	5,537,719	5,593,634	5,621,731	5,393,724	5,369,511	5,679,455	5,558,004	5,236,041	5,066,509
Fines and forfeits	384,288	378,643	497,113	178,739	220,901	119,427	184,190	210,618	220,350	229,994
Interest earnings	71,817	14,659	22,547	47,478	77,993	122,088	(64,719)	338,180	729,396	1,069,178
Miscellaneous	3,773,065	700,638	988,659	592,798	702,380	735,251	556,292	880,385	726,037	889,520
Total revenues	33,983,792	29,821,132	28,308,254	27,778,079	28,362,266	30,351,188	41,646,289	32,385,179	32,355,963	32,637,230
EXPENDITURES										
General government	4,525,270	4,366,316	3,939,915	2,975,639	3,026,559	3,273,169	3,543,512	3,661,825	3,629,824	3,598,907
Public safety	10,230,404	10,175,544	9,927,788	11,182,563	11,252,343	11,781,242	11,876,309	11,653,936	11,395,437	10,741,490
Physical environment	-	-	-	-	-	-	-	825	869	650
Transportation	1,643,219	1,694,823	1,616,462	1,543,624	1,656,767	1,785,106	1,869,700	1,957,496	2,173,323	1,905,992
Economic development	370,393	448,045	398,917	445,600	409,780	466,280	394,828	323,734	87,537	58,935
Culture and recreation	8,817,281	8,304,517	8,013,764	7,728,248	7,329,256	7,934,753	8,126,402	8,670,406	9,028,183	8,020,637
Capital outlay	1,211,986	2,718,624	2,779,744	2,476,284	3,624,709	4,198,061	11,924,208	2,794,170	6,832,634	13,930,227
Aids and grants	214,292	287,472	286,677	186,329	211,860	166,233	515,203	170,801	75,100	80,000
Debt service:										
Principal	1,496,651	1,394,636	1,410,650	1,424,928	1,584,307	1,297,789	2,356,923	1,668,241	4,428,527	2,252,986
Interest	292,372	343,697	540,297	610,170	680,752	741,855	835,723	887,607	989,180	937,599
Total expenditures	28,801,868	29,733,674	28,914,214	28,573,386	25,939,764	31,644,488	41,442,808	31,789,041	38,640,614	41,527,423
Excess of revenues over expenditures	5,181,924	87,458	(605,960)	(795,307)	2,422,502	(1,293,300)	203,481	596,138	(6,284,651)	(8,890,193)
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	8,252	25,817	8,683	-	-	-	1,181,800	-	230,507	-
Debt proceeds	(119,211)	-	104,138	-	-	-	-	-	-	3,900,000
Transfers in	1,011,810	2,697,443	1,370,702	3,258,292	1,696,012	2,405,836	3,870,555	5,028,788	2,500,023	2,292,929
Transfers out	(718,490)	(1,822,638)	(1,608,492)	(4,757,152)	(2,418,887)	(3,259,235)	(3,962,516)	(5,746,548)	(2,750,637)	(2,698,022)
Total other financing sources (uses)	182,361	900,622	(124,969)	(1,498,860)	(4,559,444)	(853,399)	1,089,839	(717,760)	(20,107)	3,494,907
Net change in fund balances	\$ 5,364,286	\$ 988,081	\$ (730,928)	\$ (2,294,166)	\$ (2,136,942)	\$ (2,146,699)	\$ 1,293,320	\$ (121,622)	\$ (6,304,758)	\$ (5,395,286)
Debt service as a percentage of noncapital expenditures	6.5%	6.4%	7.5%	7.7%	6.5%	5.0%	8.8%	6.1%	16.2%	8.9%

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

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Economic Development	Culture and Recreation	Capital Outlay	Debt Service	Transfers Out	Other	Total
2006	\$ 3,598,907	\$ 10,741,490	\$ 650	\$ 1,905,992	\$ 58,935	\$ 8,020,637	\$ 13,930,227	\$ 3,190,585	\$ 2,698,022	\$ 80,000	\$ 44,225,445
2007	3,629,824	11,395,437	869	2,173,323	87,537	9,028,183	6,832,634	5,417,707	2,750,637	75,100	41,391,251
2008	3,661,825	11,653,936	825	1,957,496	323,734	8,670,406	2,794,170	2,555,848	5,746,548	170,801	37,535,589
2009	3,543,512	11,876,309	-	1,869,700	394,828	8,126,402	11,924,208	3,192,646	3,962,516	515,203	45,405,324
2010	3,273,169	11,781,242	-	1,785,106	466,280	7,934,753	4,198,061	2,039,644	3,259,235	166,233	34,903,723
2011	3,026,559	11,252,343	-	1,656,767	409,780	7,329,256	3,624,709	2,265,059	2,418,887	211,860	32,195,220
2012	2,975,639	11,182,563	-	1,543,624	445,600	7,728,248	2,476,284	2,035,098	4,757,152	186,329	33,330,538
2013	3,939,915	9,927,788	-	1,616,462	398,917	8,013,764	2,779,744	1,950,947	1,608,492	286,677	30,522,706
2014	4,366,316	10,175,544	-	1,694,823	448,045	8,304,517	2,718,624	1,738,333	1,822,638	287,472	31,556,312
2015	4,525,270	10,230,404	-	1,643,219	370,393	8,817,281	1,211,986	1,789,023	718,490	214,292	29,520,358

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

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

Revenue Capacity

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

FY Ended Sept 30,	Real Property					Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate ²	Estimated Actual Market Value ³	Taxable Assessed Value as a % of Actual Value
	Residential Property	Commercial Property	Industrial Property	Other Property ¹						
2006	\$ 1,579,976,600	\$ 241,563,400	\$23,694,200	\$28,758,200	\$ 123,476,459	\$ 1,997,468,859	4.4253	\$3,233,337,399	61.8%	
2007	1,870,050,313	310,996,460	27,036,900	34,806,491	102,039,260	2,344,929,424	4.0934	3,955,244,190	59.3%	
2008	2,055,969,822	321,438,745	27,796,700	41,619,755	106,309,880	2,553,134,902	3.5597	4,211,355,400	60.6%	
2009	1,813,363,664	351,142,490	28,083,500	37,006,566	89,119,848	2,318,716,068	3.5597	3,921,795,310	59.1%	
2010	1,570,371,303	280,821,157	26,056,165	59,651,262	86,727,617	2,023,627,504	3.5597	3,278,182,101	61.7%	
2011	1,424,191,373	249,278,430	22,754,140	49,882,330	81,301,215	1,827,407,488	3.5597	2,884,900,277	63.3%	
2012	1,395,841,673	238,010,568	21,718,717	39,462,381	76,782,855	1,771,816,194	3.3817	2,742,388,004	64.6%	
2013	1,344,271,312	231,166,397	21,212,491	44,261,605	78,233,683	1,719,145,488	3.3817	2,609,865,581	65.9%	
2014	1,384,844,153	236,587,023	21,953,609	33,279,232	82,734,943	1,759,398,960	3.7345	2,675,288,098	65.8%	
2015	1,483,004,224	247,113,147	23,427,290	37,317,833	85,583,545	1,876,446,039	3.7345	2,954,536,952	63.5%	
Change 2014 - 2015	7.09%	4.45%	6.71%	12.14%	3.44%	6.65%	0.00%	10.44%		

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

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

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

Source: Pinellas County Property Appraiser

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

Fiscal Year	City Direct Rate ¹	Overlapping Rates					TOTAL
		County Wide ²	School	Transit District ³	EMS ³	Other Districts ⁴	
2006	4.4253	6.1410	8.3900	0.6377	0.6600	1.6555	21.9095
2007	4.0934	5.4700	8.2100	0.6074	0.6300	1.6378	20.6486
2008	3.5597	4.8730	7.7310	0.5601	0.5832	0.3866	17.6936
2009	3.5597	4.8730	8.0610	0.5601	0.5832	1.5551	19.1921
2010	3.5597	4.8730	8.3460	0.5601	0.5832	1.5106	19.4326
2011	3.5597	4.8730	8.3400	0.5601	0.5832	1.4410	19.3570
2012	3.3817	4.8730	8.3850	0.7305	0.8506	1.2390	19.4598
2013	3.3817	5.0727	8.3020	0.7305	0.9158	1.3034	19.7061
2014	3.7345	5.3377	8.0600	0.7305	0.9158	1.2959	20.0744
2015	3.7345	5.3377	7.8410	0.7305	0.9158	1.2799	19.8394

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

(2) County Wide includes:

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

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

(4) Other Districts includes:

Pinellas County Planning Council	0.0160
Juvenile Welfare Board	0.8981
Southwest Florida Water Management	0.3658
	<u>1.2799</u>

Source: Pinellas County Property Appraiser

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

Taxpayer	September 30, 2015			September 30, 2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Mac Alpine Place Apt.	\$ 40,582,406	1	2.16%	\$ 27,600,000	1	1.57%
Chesapeake Apartments	15,969,100	2	0.85%	13,500,000	2	0.77%
M H C Lake Haven LLC	9,900,300	3	0.53%			
P X Granada Plaza LP	8,625,000	4	0.46%			
Publix Super Markets Inc	8,426,700	5	0.45%	7,345,000	7	0.42%
Scottish Towers II Apt LTD Partnership	7,997,000	6	0.43%	6,900,000	8	0.39%
P B H Logarto LLC	7,977,600	7	0.43%			
M1 Marina Co.	7,924,606	8	0.42%			
Coca-Cola Co Inc	7,601,185	9	0.41%			
Liv at Dunedin LLC	7,425,000	10	0.40%			
Nielson Media Research, Inc.				9,533,200	4	0.54%
Orangeland Vistas, Inc.				10,025,000	3	0.57%
Lessor, Jason K.				8,670,000	5	0.49%
Odyssey DP				8,400,000	6	0.48%
SES Group - Windemere				6,650,800	10	0.38%
Olympia Development Group				6,801,400	9	0.39%
SUB-TOTAL:	122,428,897		6.54%	105,425,400		6.00%
ALL OTHERS:	1,754,017,142		93.46%	1,654,728,740		94.00%
TOTAL:	<u>\$ 1,876,446,039</u>		<u>100.00%</u>	<u>\$ 1,760,154,140</u>		<u>100.00%</u>

Source: Pinellas County Property Appraiser

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

FY Ended Sept 30,	Taxable Assessed Valuation	Millage Tax Rate	Total Tax Levy	Collected within the Fiscal Year of the Levy		Delinquent Collections ²	Total Collections to Date	
				Amount ¹	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 1,997,468,859	4.4253	\$8,839,399	\$8,347,924	94.4%	\$ 7,773	\$ 8,355,697	94.5%
2007	2,344,929,424	4.0934	9,598,734	9,016,741	93.9%	11,716	9,028,457	94.1%
2008	2,553,134,902	3.5597	9,088,394	8,075,170	88.9%	439,190	8,514,360	93.7%
2009 *	2,318,716,068	3.5597	8,253,934	7,731,980	93.7%	22,968	7,754,948	94.0%
2010	2,023,627,504	3.5597	7,203,507	6,763,013	93.9%	21,039	6,784,052	94.2%
2011	1,827,407,488	3.5597	6,505,022	6,111,943	94.0%	14,636	6,126,579	94.2%
2012	1,771,816,194	3.3817	5,991,747	5,723,281	95.5%	119	5,723,400	95.5%
2013	1,719,145,488	3.3817	5,813,631	5,269,249	90.6%	134,104	5,403,353	92.9%
2014	1,759,398,960	3.7345	6,570,474	6,035,872	91.9%	140,809	6,176,681	94.0%
2015	1,876,446,039	3.7345	7,007,587	6,435,377	91.8%	155,057	6,590,434	94.1%

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

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

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

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



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Debt Capacity

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

Fiscal Year	Governmental Activities		Business Type Activities		Percentage of Personal Income ¹	Per Capita ¹
	Revenue Bonds	Capital Leases	Water / Sewer & Stormwater Bonds	Total Primary Government		
2006	\$ 22,968,165	\$ 911,361	\$ 14,005,615	\$ 37,885,141	2.64%	\$ 1,008
2007	21,411,326	1,387,855	28,252,680	51,051,861	4.82%	1,356
2008	19,730,418	1,312,117	26,843,018	47,885,553	4.57%	1,275
2009	17,373,495	1,953,199	24,693,131	44,019,825	4.68%	1,223
2010	16,075,706	1,663,588	23,845,710	41,585,004	4.18%	1,177
2011	14,491,400	2,174,240	20,842,993	37,508,633	3.80%	1,053
2012	13,066,481	1,085,706	23,776,000	37,928,187	3.93%	1,076
2013	11,759,958	717,261	23,776,000	36,253,220	3.76%	1,029
2014	11,645,322	415,177	22,876,000	34,936,499	3.31%	979
2015	10,273,672	104,349	27,809,000	38,187,021	3.76%	1,078

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

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

City of Dunedin, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2015

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE¹</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Overlapping debt:			
Pinellas County	\$ 11,599,387		
Pinellas County School Board	\$ 15,855,601		
Total overlapping debt	\$ 27,454,988	3.150%	\$ 864,832
City of Dunedin direct debt			<u>\$ 10,378,021</u>
Total direct and overlapping debt			<u><u>\$ 11,242,853</u></u>

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

 City Taxable Value: \$ 1,876,446,039

 County Taxable Value: \$ 59,650,849,843

Sources: Assessed value used to estimate applicable percentages provided by the Pinellas County Property Appraiser.
Debt outstanding data provided by Pinellas County School Board.

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

Fiscal Year	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³	Coverage Ratio
2006	\$ 16,012,925	\$ 12,115,834	\$ 3,897,091	\$ 1,944,756	2.00
2007	16,828,565	12,821,283	4,007,282	1,949,609	2.06
2008	18,397,808	13,239,576	5,158,232	2,465,204	2.09
2009	17,227,189	13,989,999	3,237,190	2,583,954	1.25
2010	17,454,334	12,481,590	4,972,744	2,457,283	2.02
2011	18,133,758	12,945,494	5,188,264	2,486,758	2.09
2012	16,879,645	10,925,824	5,417,161	2,605,576	2.08
2013	15,475,054	11,028,345	4,446,709	495,803 ⁴	8.97
2014	15,244,674	11,248,564	3,996,110	1,891,887	2.11
2015	15,370,160	12,023,320	3,346,840	1,462,502	2.29

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

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

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

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

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

<u>Fiscal Year</u>	<u>Gross Revenues ¹</u>	<u>Operating Expenses ²</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements ³</u>	<u>Coverage Ratio</u>
2012	\$ 2,707,168	\$ 1,298,022	\$ 1,409,146	\$ 225,513	6.25
2013	2,938,635	1,464,095	1,474,540	186,189 ⁴	7.92
2014	2,964,128	1,443,056	1,521,072	446,308	3.41
2015	3,306,550	1,743,304	1,563,246	578,891	2.70

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

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

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

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

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

Description	Actual September 30 2015	Adopted Budget September 30 2015	Adopted Budget September 30 2016
Total Governmental Revenues	\$ 33,983,792	\$ 30,138,222	\$ 32,852,818
Internal Service Revenues:			
Rental Income	27,352	26,872	27,000
Non-Operating:			
Investment earnings	26,719	18,792	18,000
Total Internal Services Revenues	54,071	45,664	45,000
Total Annual Revenues - September 30	<u>\$ 34,037,863</u>	<u>\$ 30,183,886</u>	<u>\$ 32,897,818</u>
Total Annual General Government Debt Service exclusive of Enterprise Funds, Internal Service Funds and Special Assessment Debt Service	<u>\$ 1,789,023</u>	<u>\$ 1,824,724</u>	<u>\$ 1,405,947</u>
Debt Service Ratio	<u>5.26%</u>	<u>6.05%</u>	<u>4.27%</u>
Total Capacity Debt Service (12.5%)	\$ 4,254,733	\$ 3,772,986	\$ 4,112,227
Less: Current Debt Service	1,789,023	1,824,724	1,405,947
Excess Debt Service Available	<u>\$ 2,465,710</u>	<u>\$ 1,948,262</u>	<u>\$ 2,706,280</u>
Excess Outstanding Debt Service Available			
10 Years	\$ 21,230,567	\$ 16,775,169	\$ 23,301,956
20 Years	37,311,190	29,481,151	40,951,508

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

Debt Description	September 30 2014	September 30 2015	Adopted Budget September 30 2016
Community Center \$10M Series 2005	\$ 721,581	\$ 652,481 ¹	\$ -
Community Center \$6.5M - Sales Tax Refunding Revenue Bond, Series 2015	-	24,083	543,412
Spring Training Facilities \$5.2M Series 2012 Revenue Note	1,002,750	1,002,748	757,907
Fire Station 61 \$1.28M Series 2013 Non Ad Valorem Note	13,177	109,711	104,628
Total Annual General Government Debt Service	<u>\$ 1,737,508</u>	<u>\$ 1,789,023</u>	<u>\$ 1,405,947</u>

(1) \$6,624,211 was deposited into irrevocable trust with an esrow agent for advance refunding.



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Demographic and Economic Information

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

Fiscal Year	Population ¹	Personal Income ²	Per Capita Income ³	Median Age ⁴	Unemployment Rate ⁵
2006	37,574	\$ 1,337,897,418	\$ 35,607	44.2	3.1%
2007	37,662	1,434,357,270	38,085	43.0	3.8%
2008	37,561	1,060,084,103	28,223	48.2	6.2%
2009	35,988	1,046,998,884	29,093	47.6	10.2%
2010	35,920	941,463,200	26,210	48.2	11.3%
2011	35,321	995,875,595	28,195	51.3	10.2%
2012	35,629	987,208,332	27,708	51.1	8.2%
2013	35,247	964,216,932	27,356	53.3	6.2%
2014	35,690	1,054,032,770	29,533	51.8	5.8%
2015	35,410	1,015,665,030	28,683	54.0	5.0%

Data Source:

- (1) FY 2005-2010, 2014: City-data.com; FY 2011: 2010 US Census; FY 2012-2013, 2015: Pinellas Co. Economic Development
- (2) Calculated using the above displayed Population and Per Capita Income figures
- (3) FY 2005-2010: City-data.com; FY 2011, 2014: US Census Results; FY 2012, 2015: Pinellas Co. Economic Development
- (4) FY 2005-2010: Muninetguide.com; FY 2011, 2014: US Census; FY 2012-2013, 2015: Pinellas Co. Economic Development
- (5) Bureau of Labor Statistics; Not Seasonally Adjusted; FY 2015 unemployment rate shown as of September 30, 2015

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

<u>Employer</u>	<u>September 30, 2015</u>			<u>September 30, 2006 ³</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment ²</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment ²</u>
Pinellas School System	610	1	3.45%	556	3	3.26%
Mease Dunedin Hospital	564	2	3.19%	697	2	4.08%
City of Dunedin	369	3	2.08%	402	4	2.36%
Mease Manor	306	4	1.73%	306	5	1.79%
Publix Supermarkets	249	5	1.41%	220	6	1.29%
Achieva Credit Union	185	6	1.05%			
Coca-Cola North America	165	7	0.93%			
Pinellas County Sheriff - N District	138	8	0.78%			
Mease Continuing Care	110	9	0.62%			
BayCare Home Care	100	10	0.56%			
Nielsen Media Research	-			<u>1,296</u>	1	<u>7.59%</u>
TOTAL	<u><u>2,586</u></u>		<u><u>15.79%</u></u>	<u><u>2,181</u></u>		<u><u>12.78%</u></u>

(1) Source: Pinellas County Economic Development

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

Total employment for 2015 17,702 at September 30, 2014

Total employment for 2006 17,068

(3) Data not available prior to 2006



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Operating Information

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

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government	57.660	60.470	55.880	52.730	55.500	52.225	55.351	63.351	59.351	59.851
Public Safety										
Fire	22.000	22.000	22.000	22.000	22.000	22.000	22.000	22.000	23.000	20.500
Paramedics	33.000	33.000	33.000	33.000	33.000	33.000	33.000	33.000	33.000	36.000
Culture and recreation	82.770	79.500	77.750	76.000	75.500	82.000	89.000	97.570	96.965	92.965
Highways and streets										
Engineering	14.500	14.500	14.750	15.000	15.500	15.000	16.000	16.000	15.000	15.000
Maintenance	8.660	8.660	8.660	9.670	9.660	9.000	11.000	12.000	16.833	16.833
Facilities	9.680	9.680	9.680	9.680	9.660	12.000	12.000	24.000	23.333	23.333
Fleet Services	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500
Solid Waste	21.000	24.000	24.000	26.000	28.000	28.000	28.000	28.000	28.000	28.000
Water	30.330	30.330	31.000	32.000	32.000	29.000	30.000	30.000	30.000	30.000
Wastewater	35.330	35.330	36.000	36.000	38.000	47.000	47.000	50.000	50.000	50.000
Stormwater	13.660	13.660	12.660	11.670	10.660	10.000	10.000	10.000	10.333	10.333
TOTAL	<u>337.090</u>	<u>339.630</u>	<u>333.880</u>	<u>332.250</u>	<u>337.980</u>	<u>347.725</u>	<u>361.851</u>	<u>394.421</u>	<u>394.315</u>	<u>391.315</u>

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

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Fire										
Number of fire emergencies with dollar loss**	86	69	91	115	108	110	111	704	108	108
EMS responses	6,930	5,423	5,173	5,138	5,012	4,973	4,895	5,372	5,472	5,472
Other calls	1,000	1,639	1,739	1,372	1,462	1,988	1,816	384	1,295	1,295
Inspections	1,011	1,097	1,279	1,396	1,509	1,596	1,484	1,376	1,007	1,007
Investigations	25	26	20	97	88	108	77	55	71	71
Highways and streets										
Streets paved (miles)	130	130	130	130	130	130	130	130	130	130
Streets unimproved (miles)	3	3	3	3	3	3	3	3	3	3
Street lights	3,885	3,918	3,568	3,568	3,568	3,568	3,568	3,568	3,568	3,540
Culture and recreation ***										
Recreation facilities - parks (acres)	240	240	240	322	322	322	322	322	322	322
Recreation facilities - specialty facilities (acres)	206	206	201	*	*	*	*	*	*	*
Recreation facilities - beaches (acres)	37	37	37	37	37	37	37	37	37	37
Library materials	138,568	158,566	141,734	135,945	139,623	146,909	131,098	128,977	147,444	136,350
Library annual circulation	543,419	549,885	590,323	632,382	656,507	600,951	483,303	443,157	434,678	412,569
Library registered borrowers	29,653	32,716	31,454	29,756	26,439	29,735	27,477	32,858	29,994	17,302
Solid waste										
Customers serviced	14,607	14,536	14,442	14,453	14,473	14,492	14,596	14,546	14,496	14,390
Refuse / recycling collected (tons)	35,594	35,366	34,929	35,618	38,425	40,656	41,053	45,796	45,100	51,414
Water										
Total connections - regular	11,437	11,361	11,331	11,435	10,958	10,894	11,536	11,394	11,363	11,363
Total connections - reclaimed	3,628	3,554	3,549	3,395	3,396	3,395	3,343	3,323	3,383	3,233
Average daily consumption (Gallons) - regular	3,645,000	3,605,000	3,400,000	3,514,000	3,020,000	3,256,000	3,269,000	3,396,000	3,546,000	3,616,000
Average daily consumption (Gallons) - reclaimed	2,500,000	2,590,000	2,800,000	2,850,000	2,670,000	2,600,000	2,800,000	3,139,000	3,269,000	3,173,000
Operating wells	27	27	27	26	22	*	26	26	26	26
Sewer (wastewater)										
Miles of sanitary sewers	128	128	128	128	128	128	128	128	128	128
Average daily sewage treatment (Gallons)	4,707,000	4,232,000	4,100,000	4,370,000	4,390,000	4,596,000	4,613,000	4,382,000	4,382,000	4,900,000

* Information not available

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

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

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

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Culture and recreation										
Baseball fields	10	10	10	12	12	12	12	12	12	12
Baseball stadium / training facility (seating capacity)	5,509	5,509	5,509	5,509	5,509	5,509	5,509	5,509	5,509	5,500
Basketball - indoor courts	1	1	1	1	1	1	1	1	1	1
Basketball - outdoor courts	5	5	5	5	5	5	5	5	5	5
Community center	1	1	1	1	1	1	1	1	1	1
Fishing areas	15	15	15	15	15	15	15	14	14	7
Golf courses	2	2	2	2	2	2	2	2	2	2
Library	2	2	2	2	2	2	2	2	1	1
Marina (slips)	183	183	194	194	194	194	194	194	194	194
Multi- purpose indoor court	1	1	1	1	1	1	1	1	1	1
Nature center	1	1	1	1	1	1	1	1	1	1
Parks *	31	31	31	32	32	31	31	30	30	22
Picnic areas	15	15	15	15	15	15	15	15	15	7
Public boat ramps	1	1	1	1	1	1	1	1	1	1
Recreation centers	3	3	3	3	3	3	3	3	3	3
Senior center	1	1	1	1	1	1	1	1	1	1
Soccer / football fields	4	4	4	4	4	4	4	4	4	4
Softball fields	5	5	5	3	3	3	3	3	3	3
State and county parks	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	11	11	11	11	11	11	11	11	11	11
Utility playfields	4	4	4	4	4	4	4	4	4	4
Water										
Water mains (miles)	172	172	172	172	172	172	172	172	172	166
Water plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	1,292	1,238	1,236	1,220	1,220	1,220	1,220	1,220	1,206	1,185
Sewer (wastewater)										
Mains	150	150	150	150	150	150	150	150	149	165
Lift stations	43	43	43	42	42	42	42	42	42	42
Treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers (miles)	128	128	128	128	128	128	128	128	128	128

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

CITY OF DUNEDIN, FLORIDA
SINGLE AUDIT AND OTHER AUDITOR REPORTS
YEAR ENDED SEPTEMBER 30, 2015



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MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dunedin, Florida (the "City") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 5, 2016. Our report includes a reference to other auditors who audited the financial statements of the City's Municipal Firefighters' Pension Trust Fund, as described in our report on the City's financial statements. The financial statements of the City's Municipal Firefighters' Pension Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

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

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


Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated May 5, 2016.

Purpose of this Report

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



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
May 5, 2016



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE REQUIRED BY CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL***

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

Report on Compliance for Each Major State Project

We have audited the compliance of the City of Dunedin, Florida (the “City”) with the types of compliance requirements described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the major state projects for the year ended September 30, 2015. The City’s state projects are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

Auditor’s Responsibility

Our responsibility is to express an opinion on the City’s compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Chapter 10.550, *Rules of the Auditor General*. Those standards and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on Each State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2015.

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

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of State Financial Assistance

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 5, 2016, which contained unmodified opinions on those financial statements. Our report on the basic financial statements also contained a reference to the report of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for the purposes of additional analysis, as required by Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance, Rules of the Department of Financial Services*, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

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

Report on Schedule of Expenditures of State Financial Assistance (Continued)

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
May 5, 2016

CITY OF DUNEDIN, FLORIDA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For The Year Ended September 30, 2015

<u>Agency/State Project</u>	<u>CSFA #</u>	<u>Grant #</u>	<u>Total Program Expenditures</u>
Florida Department of Revenue Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise (Toronto Blue Jays Stadium)	73.016	08-CT-C1-07-F7-J1-097	\$ 500,004
Florida Department of Transportation Multiyear Highway Landscape Reimbursement and Maintenance			
Year 3 - S.R. 595 Bayshore Blvd. Sabal Palms	55.003	AQ690	22,353
Year 4 - S.R. 595 Edgewater Drive	55.003	AQ690	20,060
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 542,417</u>

NOTE 1 Basis of Presentation

The Schedule of Expenditures of State Financial Assistance includes the state grant activity of the City of Dunedin, Florida, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 215.97, Florida Statutes; and Rule 69I-5.003 (1)(f). Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

CITY OF DUNEDIN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

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

State Financial Assistance

Internal control over major State projects:

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

Type of auditor's report issued on compliance for major state projects:

Unmodified Opinion

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

_____ Yes X No

Identification of Major State Project:

CSFA Number
73.016

Name of State Project
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise

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

\$162,725

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

No matters are reported.

SECTION III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION

No matters are reported.



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the compliance of the City of Dunedin, Florida (the "City") with the requirements of Sections 218.415 and 288.8018(1), Florida Statutes, during the fiscal year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2015.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
May 5, 2016

CITY OF DUNEDIN, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Fiscal Year Ended September 30, 2015

Prior-Year Findings

MLO 2013-004 – Municipal Firefighters’ Pension Trust Fund Audit

Current Year Status

The Firefighter Pension Board discussed and determined the benefit of implementing this recommendation could not outweigh the cost. Consequently, this finding will be removed going forward.

MLO 2014-001 – Vulnerability Management Controls

Current Year Status

Corrective action was taken during fiscal year 2015 and the finding was resolved.

MLO 2014-002 – Building Department – Internal Controls

Current Year Status

Corrective action was taken during fiscal year 2015 and the finding was resolved.



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the basic financial statements of the City of Dunedin, Florida (the "City") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated May 5, 2016.

Auditor's Responsibility

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

Other Reports and Schedule

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of State Financial Assistance Required by Chapter 10.550, *Rules of the Auditor General*, and Schedule of Findings and Questioned Costs, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated May 5, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Prior findings have been resolved or corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

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

Financial Condition Assessment

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Annual Financial Report

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we determine whether the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services, pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

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

Other Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we noted certain matters, as reported in Appendix A attached hereto. Included in our observations are management's responses, which we did not audit and, accordingly, we express no opinion on them.

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

Purpose of this Letter

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
May 5, 2016

APPENDIX A
CITY OF DUNEDIN, FLORIDA
CURRENT YEAR OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES
For the Year Ended September 30, 2015

MLC-2015-001 - CAPITAL DISPOSALS

Observation:

During our current year audit, we noted that the City does not have a formal policy for disposal of equipment.

Criteria:

Implementation of a formal policy ensures that asset disposals are being properly reviewed, monitored, and reported by the City on a regular basis.

Recommendation:

We recommend that the City create and document, in writing, policies and procedures for its capital disposal process to ensure that all disposals are accounted for.

Management Response:

As recommended, the City will create and document, in writing, a policy and procedure to ensure that asset disposals are being properly reviewed, monitored and reported by the City on a regular basis.

MLO 2015-002 - Finance Agreements

Observation:

During our audit of the City's financial statements, we performed a review of the City's reclaimed capital recovery loan agreements. During this review, we noted in 3 instances where there was no documentation of an approved loan agreement filed with the City Clerk's Office.

Criteria:

Appropriate controls should be implemented to ensure that a contract is signed and filed prior to entering into a finance agreement in order to protect the rights of the City.

Recommendation:

We recommend that the City evaluate the issue noted above and implement procedures to ensure that loan agreements are properly documented and approved prior to being filed with the City Clerk's Office.

Management Response:

City staff will evaluate the current process and implement procedures to ensure reclaimed capital recovery loan agreements are properly documented, approved and filed with the City Clerk's Office.

OTHER SUPPLEMENTARY INFORMATION



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CITY OF DUNEDIN, FLORIDA

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

For the Year Ended September 30, 2015

Source	Amount Received in the 2014-15 Fiscal Year	Amount Expended in the 2014-15 Fiscal Year
British Petroleum:		
Agreement No. Not Application	\$ 2,929,946	\$ -

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